

## FRANCHISE DISCLOSURE DOCUMENT

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**DQ® Treat Franchise.** American Dairy Queen Corporation (“ADQ”) offers single unit franchises for the operation of DQ® Treat stores at authorized locations. A DQ® Treat store is a retail quick service food establishment from which you will sell trademarked Dairy Queen® soft-serve, treat products, and beverage menu items, and a limited number of approved food items.

The total investment necessary to begin operation of a single DQ® Treat franchise is \$549,100 - \$1,604,700. This includes the \$25,200 that must be paid to the franchisor or affiliate.

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

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

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

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

Issuance Date: March 27, 2025, as amended April 23, 2025

## How to Use This Franchise Disclosure Document

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

| <b>QUESTION</b>  | <b>WHERE TO FIND INFORMATION</b>  |
|--|---|
| <b>How much can I earn?</b>  | Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain his information from others, like current and former franchisees. You can find their names and contact information in Exhibit I. |
| <b>How much will I need to invest?</b>   | 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.  |
| <b>Does the franchisor have the financial ability to provide support to my business?</b> | Exhibit K includes financial statements. Review these statements carefully.   |
| <b>Is the franchise system stable, growing, or shrinking?</b>                            | Item 20 summarizes the recent history of the number of company-owned and franchised outlets.  |
| <b>Will my business be the only DQ® business in my area?</b>                             | Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.   |
| <b>Does the franchisor have a troubled legal history?</b>                                | Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.  |
| <b>What's it like to be a DQ® franchisee?</b>  | Exhibits I and J list current and former franchisees. You can contact them to ask about their experiences.  |
| <b>What else should I know?</b>  | These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.                                       |

## **What You Need To Know About Franchising *Generally***

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

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

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

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

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

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

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

### **Some States Require Registration**

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

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

## Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with us by arbitration and/or litigation only in Minneapolis, Minnesota, or at such other place as may be mutually agreeable to the parties. Out-of-state 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 us in Minneapolis, Minnesota than in your own state.

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



**NOTICE REQUIRED  
BY  
STATE OF MICHIGAN**

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

Each of the following provisions is void and unenforceable if contained in any documents relating to a franchise:

- (a) A prohibition on the right of a franchisee to join an association of franchisees.
- (b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- (c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.
- (d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.
- (e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.
- (f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.

**THE MICHIGAN NOTICE APPLIES ONLY TO FRANCHISEES WHO ARE RESIDENTS OF MICHIGAN OR LOCATE THEIR FRANCHISES IN MICHIGAN.**

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

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

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

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

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

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

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

**The fact that there is a notice of this offering on file with the attorney general does not constitute approval, recommendation, or endorsement by the attorney general.**

Any questions regarding this notice should be directed to the Department of Attorney General, Consumer Protection Division (Attention: Franchise), P.O. Box 30213, Lansing, Michigan 48909, telephone (517) 373-7117.

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## **Item 1: The Franchisor, and any Parents, Predecessors, and Affiliates**

To simplify the language in this franchise disclosure document (“disclosure document”), “ADQ” means American Dairy Queen Corporation, the franchisor. “You” means the person who buys the franchise. If the franchisee is a corporation, partnership or other entity, “you” may also mean its owners. Certain provisions of the franchise agreement apply to your owners and will be noted in this disclosure document.

ADQ is a Delaware corporation incorporated in 1962. ADQ’s principal business address is 8000 Tower, Suite 700, 8331 Norman Center Drive, Bloomington, MN 55437. ADQ has not had any predecessors during the 10-year period immediately before the close of its most recent fiscal year. ADQ does business under its corporate name and the trade names “Dairy Queen” and “DQ.”

ADQ is a wholly-owned subsidiary of its parent corporation, International Dairy Queen, Inc. (“IDQ”), whose principal business address is the same as ADQ’s. IDQ is a wholly-owned subsidiary of its parent corporation, Berkshire Hathaway, Inc., whose principal business address is 1440 Blackstone Plaza, Omaha, Nebraska 68131.

ADQ’s affiliates that offer franchises in any line of business or provide products or services to franchisees are: Unified Supply Chain, Inc. (“USCI”); DQF, Inc. (“DQF”); DQGC, Inc. (“DQGC”) and federal Canadian corporation Dairy Queen Canada Inc. (“DQC”). In addition, the following ADQ affiliate owns and operates DQ Grill & Chill® restaurants: DQ Training Restaurants, LLC (“DQTR”). The principal business address for USCI, DQF, DQGC and DQTR is the same as ADQ. The principal business address for DQC is 1111 International Boulevard, Suite 601, Burlington, Ontario, Canada L7L 6W1.

ADQ’s agents for service of process are disclosed in Exhibit A of this disclosure document.

### **Description of the Franchises Being Offered**

ADQ offers franchises for the development of DQ® Treat stores. A DQ® Treat store is a quick service food establishment with indoor seating (and outdoor, in certain locations) from which you will sell the full line of approved DQ® soft-serve, treat, and beverage menu items, and a limited number of approved food items, and which will be operated under the DQ® and other marks that ADQ may designate (the “Trademarks”).

ADQ offers DQ® Treat franchises for captive venue (“Captive-venue”) locations, which are locations in shopping malls or centers (enclosed or open air, such as a lifestyle center) with a minimum of 500,000 square feet of gross leasable area, transportation terminals, hospitals, college and university facilities, parks and recreation areas, office buildings and other locations that cater to high volume walking traffic. Captive-venue locations will operate under the trade name DQ®/Orange Julius®. ADQ also offers DQ® Treat franchises for “Street” locations, which are defined as freestanding, streetscape or strip mall locations with less than 500,000 gross leasable area. Street locations will operate under the trade name DQ®/Dairy Queen®.

In connection with your authorized franchise, you will: (1) use ADQ's nationally recognized trademarks and service marks; (2) obtain access to the distinctive operational and management attributes of the Dairy Queen® system; (3) participate in many of ADQ's national and regional sales promotion programs, as well as any special programs ADQ establishes for DQ® Treat franchisees; and (4) receive the benefits of association with a nationally recognized franchise system, including various forms of training, opening and operational assistance (see Item 11).

### **Single Unit Franchise**

The single unit DQ® Treat franchise is a license to operate a single DQ® Treat store at an authorized location under the terms of the operating agreement (also referred to as the franchise agreement) included in this disclosure document as Exhibit B.

ADQ may permit existing franchisees with a Street location to relocate their restaurants under ADQ's relocation policy. More details about the relocation policy are included Items 5, 6, 7 and 12. If you are a current franchisee of an existing DQ® Treat store and ADQ is permitting you to relocate your store under the relocation policy, you must sign the franchise agreement and the relocation addendum included in Exhibit B. The relocation policy is not applicable to Captive-venue locations.

If you are a current franchisee of an existing DQ® restaurant that has a contractual right to renew the existing franchise at the end of its initial term, and you meet ADQ's qualifying criteria for renewal, you will be required to sign the franchise agreement and the renewal addendum included in Exhibit B.

If you are purchasing or otherwise acquiring an existing DQ® Treat store, and you meet ADQ's qualifying criteria and requirements to obtain ADQ's consent for the transfer, you will be required to sign the franchise agreement included in Exhibit B.

### **Conversion Program**

If you operate an existing Dairy Queen® soft-serve-only or limited non-system food ("NSF") store, and meet all of ADQ's qualifying criteria, ADQ may allow you to convert your store to a DQ® Treat store by signing the franchise agreement and the applicable conversion addendum included in Exhibit C. The conversion addenda allow you to, among other things, carry over from your old agreement to the new agreement the protected territory and the continuing license fee for products made with soft-serve as an ingredient. Franchisees converting an existing Dairy Queen® soft-serve-only store or an NSF store to a DQ® Treat store are referred to as "conversion franchisees" and the locations are referred to as "conversions."

Dairy Queen® soft-serve-only stores are different from the DQ® Treat franchise currently offered by ADQ because they are under franchise agreements entered into over 30 years ago and have no rights to carry DQ® food items.

### **Market**

Dairy Queen® products appeal to the general public, although certain products are targeted for particular customers. Your principal competition will be other quick service and fast casual food

restaurants and specialty ice cream treat outlets, specialty fruit beverage (primarily smoothies), snack food, or treat establishments, including members of other regional and national chains and franchise systems. Sales of Dairy Queen® products may be seasonal in areas of the United States with cooler climates during part of the year. The market for quick service food restaurants, specialty ice cream treat outlets, and specialty fruit beverage, snack food and treat establishments is well developed and highly competitive.

### **Licenses and Permits**

In addition to laws and regulations that apply to businesses generally, DQ® Treat stores are subject to various federal, state and local government regulations, including those relating to site location and building construction; privacy and data security; food and menu labeling; storage, preparation and sale of food and beverage products including packaging and certain ingredient restrictions (*e.g.*, those relating to trans fat); dairy and meat products; and health, sanitation and safety. ADQ strongly encourages you to investigate these regulations and other laws that may be applicable to your business before you purchase the franchise. It is your sole responsibility to abide by any applicable laws and regulations, and to obtain and keep in place all necessary licenses and permits.

### **Business of ADQ**

ADQ's business includes administering its franchise system, establishing and conducting sales promotion programs for DQ® products and providing various services to its franchisees (see Items 8 and 11). In addition, since ADQ's incorporation, ADQ has operated DQ® restaurants and stores on an interim basis. ADQ does not operate any company-owned DQ® Treat stores as of the date of this disclosure document, although, as explained further below, ADQ's affiliate, DQTR, owns and operates two DQ Grill & Chill® restaurants.

In addition to the franchise offered under this franchise disclosure document, ADQ offers franchises for other concepts through separate franchise disclosure documents:

- **DQ Grill & Chill®.** ADQ offers single and multiple unit franchises for the operation of DQ Grill & Chill® restaurants, which are quick service food restaurants with indoor seating (and outdoor, in certain locations) from which a franchisee sells the full line of approved soft-serve, treat, food and beverage menu items.
- **Texas DQ® Restaurant.** Due to historical factors unique to Texas, ADQ offers single and multiple unit franchises in Texas for DQ® restaurants with a food menu different than the DQ Grill & Chill® food menu, which is called "Texas Country Food." The DQ® restaurant multiple unit franchises permit a franchisee to establish and operate a specific number of DQ® restaurants at authorized locations in Texas within a specific geographic or trade area under separate franchise agreements for each restaurant.

In November 2021, ADQ's affiliate, Orange Julius of America (OJA), transferred and assigned all of its right, title and interest in and to its Orange Julius® and other trademarks, as well as all of its right, title and interest in and to the Orange Julius® franchise system and existing Orange Julius® franchise agreements, to ADQ. Since that time, ADQ's business has included administering the Orange Julius® franchise system, establishing and conducting sales promotion programs for

Orange Julius® products, and providing various services to Orange Julius® franchisees. ADQ is not offering or issuing any new Orange Julius® franchises. OJA was dissolved in December 2021.

In the past ADQ issued standard and urban territory franchises in the United States, which are territory franchises that allow the territory operator to develop the Dairy Queen®/Brazier® (and now DQ Grill & Chill®) and Dairy Queen®/Limited Brazier® businesses within a defined geographical area (“territory”) through subfranchising to third parties. ADQ occasionally acquires a territory operator’s interest in various restaurant and store franchise agreements through negotiated acquisitions of territorial subfranchising rights. Also in the past, ADQ issued Dairy Queen® soft-serve-only franchises (a store featuring approved Dairy Queen® soft-serve treat products which may or may not sell non-system food), Dairy Queen®/Limited Brazier® franchises (a store featuring approved Dairy Queen® soft-serve treat products and a limited number of approved food items), Dairy Queen®/Brazier® franchises (a restaurant featuring approved Dairy Queen® soft-serve treat products and a full menu of Brazier® food items), and Dairy Queen®/Fuel Center franchises (a franchise specifically offered for locations operated in conjunction with or adjacent to a fuel dispensing or travel business). For these franchises that ADQ no longer offers, there may be existing franchisees that were granted licenses under these franchise programs (including territory operators who continue to subfranchise).

### **ADQ’s Affiliates**

IDQ’s business includes the limited sale of products (see Item 8) to the various franchise systems that its subsidiaries operate. DQF provides various services to franchisees, including the financing services described in Item 10. USCI acts as the “supply chain entity” and sources certain products and equipment (see Item 8) to the various franchise systems that IDQ’s subsidiaries operate. DQGC provides gift card services to franchisees. IDQ, DQF, USCI and DQGC do not and have not issued franchises or conducted a company-operated DQ® Treat store.

DQTR owns and operates two DQ Grill & Chill® restaurants in Minnesota, one of which serves as a training facility for ADQ personnel and franchisees. DQTR has conducted the DQ® business since June 2003. DQTR has entered into agreements with ADQ substantially similar to the form franchise agreement in place at the time for other franchised locations. DQTR does not and has not issued franchises in any line of business.

ADQ has offered a number of international franchise programs over the years under the DQ®, Dairy Queen®, and DQ Grill & Chill® trademarks, including an international territory program, an international multiple unit development program and an international store program.

DQC has conducted the Dairy Queen® business and issued various DQ® franchises in Canada since 1953. DQC holds exclusive area franchising rights in Canada through licensing agreements with ADQ, under which DQC exercises exclusive rights to license the registered trade name and DQ® trademark and certain other trademarks owned by ADQ. DQC issues franchises for DQ Grill & Chill® restaurants, and DQ® Treat locations. While DQC no longer offers Dairy Queen®/Brazier®, Dairy Queen®/Limited Brazier® stores and Dairy Queen® soft-serve-only franchises, there may be existing franchised locations of these types.



The following table summarizes the franchises issued by ADQ and its affiliates that were operating as of December 31, 2024. Taking into account all the various franchise programs, the DQ® system includes over 7,700 DQ® restaurants and stores on a global basis.

| Company | Franchise Program   | Period Franchises Offered | Number of Franchises operating as of 12/31/24 |
|---------|---|---------------------------|---|
| ADQ     | DQ Grill & Chill®   | 1962 – Present            | 1,971 <sup>(1)</sup>                          |
|         | DQ® Treat   | 1962 – Present            | 727 <sup>(2)</sup>                            |
|         | Dairy Queen®/Fuel Center  | 1990 – 1998               | 1   |
|         | Brazier® Food Service Addendum                                  | 1982 – Present            | 15 <sup>(3)</sup>                             |
|         | Texas DQ® Restaurant  | 1980 – Present            | 568   |
|         | Standard Territory  | 1962 – 1981               | 10 <sup>(4)</sup>                             |
|         | Urban Territory   | 1984 – 1993               | 1 <sup>(4)</sup>                              |
|         | International Franchise Locations (outside the U.S. and Canada) | 1971 – Present            | 2,853   |
|         | Orange Julius®  | 1963 – Present            | 11  |
|         |   |                           |   |
| DQC     | DQ Grill & Chill®   | 1963 – Present            | 510 <sup>(5)</sup>                            |
|         | DQ® Treat   | 1973 – Present            | 184 <sup>(6)</sup>                            |
|         | Orange Julius®  | 1977 – Present            | 12  |

- (1) The total for DQ Grill & Chill® includes some restaurants originally franchised under the Dairy Queen®/Brazier® restaurant concept. As the systems, menus and products for these two concepts has evolved, the distinction between them has diminished.
- (2) The total for DQ® Treat includes stores that sell the Dairy Queen® softserve menu along with a limited food menu, and stores that sell only the Dairy Queen® softserve menu. As the systems, menus and products for these concepts has evolved, the distinction between them has diminished.
- (3) Territory operators that have a signed Brazier® food service addendum to their territory agreements are authorized to offer approved food products under the Brazier®, DQ Grill & Chill® and other related trademarks.
- (4) In addition to territory operators who were granted standard territory or urban territory franchises, other territory operators conduct the Dairy Queen®, Dairy Queen®/Brazier®

or DQ Grill & Chill® business under older forms of franchise agreement, many of which were issued more than 30 years ago.

- (5) The total for DQ Grill & Chill® includes some restaurants originally franchised under the Dairy Queen®/Brazier® restaurant concept. As the systems, menus and products for these two concepts has evolved, the distinction between them has diminished.
- (6) The total for DQ® Treat includes stores that sell the Dairy Queen® softserve menu along with a limited food menu, and some stores that sell only the Dairy Queen® softserve menu. As the systems, menus and products for these concepts has evolved, the distinction between them has diminished.

## **Item 2: Business Experience**

The following are the directors, principal officers and other individuals who will have management responsibility relating to the sale or operation of franchises offered under this disclosure document, and the principal positions and employers for each during the last five years.

### **Director, Chief Executive Officer and President: Troy A. Bader**

Troy Bader has been a Director of ADQ since March 2008 and has been Chief Executive officer and President of ADQ since January 1, 2018. He served as ADQ's Chief Operating Officer – U.S. & Canada from January 2016 to December 2017 and Chief Operating Officer – U.S. from November 2011 to December 2015. ADQ and its affiliates have employed Mr. Bader in various other management positions since 2001, including as Chief Development and Legal Officer from January 2008 to October 2011.

### **Director, Executive Vice President, General Counsel, and Secretary: Shelly O'Callaghan**

Shelly O'Callaghan has been a Director, Executive Vice President, General Counsel, and Secretary of ADQ since November 2011. ADQ has employed Ms. O'Callaghan in various management positions since 2010, including as Vice President and Assistant General Counsel from January 2010 to October 2011.

### **Director, Chief Operating Officer U.S. and Canada: Arthur P. D'Elia**

Arthur D'Elia joined ADQ as a Director and Chief Operating Officer on March 17th, 2025. Mr. D'Elia served as Domino's Executive Vice President, International from May 2022 through October 2024. He also served on the Board of Directors of DPC Dash Ltd. from May 2023 to November 2024. Previously, Mr. D'Elia served as Domino's Executive Vice President, Chief Marketing Officer from July 2020 to April 2022 and as Senior Vice President, Chief Marketing Officer from February 2020 to June 2020. Mr. D'Elia joined Domino's in January 2018 as Senior Vice President, Chief Brand and Innovation Officer.

### **Chief Supply Chain and Development Officer, US and Canada: Daniel J. Kropp**

Daniel Kropp has been Chief Supply and Development Officer since March 17, 2025. Prior to that he served as Director, Chief Operating Officer, US and Canada between August 1, 2020 and March 16, 2025 and as Director, Chief Operating Officer, US between January 1, 2018 and July 31, 2020. From November 2011 through December 31, 2017, Mr. Kropp served as Executive Vice President

- U.S. Operations. ADQ has employed Mr. Kropp in various other positions since 1996, including as Executive Vice President - Franchise Operations (East) from January 2010 to October 2011.

**Executive Vice President, Marketing, U.S. and Canada: Maria Hokanson**

Maria Hokanson has been Executive Vice President, Marketing, U.S. and Canada since August 1, 2020. She served as Executive Vice President, Marketing, U.S. between August 1, 2017 and July 31, 2020. Between November 2004 and July 2017, Maria held several roles within the marketing department for ADQ, including Vice President of Product and Brand Marketing (2015-17), Sr. Director of Product & Brand Marketing (2013-2014), Director of Marketing (2010-2013), Sr Manager (2008-2013) and Manager (2004-2008).

**Executive Vice President, Research & Development: Jane Friedrich**

Jane Friedrich has served as Executive Vice President, Research & Development since April 17, 2024. Prior to that she served in several roles at Cargill including, between March 2019 and April 2024, Vice President, Cargill Animal Nutrition, R&D and Innovation Leader; Vice President, Global Core R&D Leader; and Assistant Vice President, Group R&D Leader Proteína Latinoamérica Group & Protein Asia Europe Group.

**Executive Vice President of USCI: W. Scott Muyres**

Scott Muyres has been Executive Vice President of USCI since January 2015. USCI or IDQ have employed Mr. Muyres in various positions since 1998, including as Vice President – Purchasing of USCI from May 2010 to December 2014.

**Executive Vice President, Finance, and Accounting: Jeff Grund**

Jeff Grund has been Executive Vice President, Finance, and Accounting since March 2023. He served as Vice President, Corporate Controller for ADQ from September 2019 through February 2023. Prior to joining ADQ, Mr. Grund served as the Chief Financial Officer for Omni Workspace from October 2018 to September 2019; as an independent consultant from May 2018 to September 2018; and as North American Controller for Pentair from 2009 to 2018.

**Vice President, Franchise Development: Gregg Benvenuto**

Gregg Benvenuto has been Vice President, Franchise Development of ADQ since April 2024. From September 2021 to January 2023 he worked for The Coffee Bean & Tea Leaf as the Vice President of Development & Franchising. He worked for Dine Brands Global (IHOP) as Vice President U.S. Development from February 2017 to September 2021 and as Executive Director U.S. Franchising from May 2011 to February 2017.

**Executive Vice President, Information Technology: Kevin Baartman**

Kevin Baartman has been Executive Vice President, Information Technology since July 27, 2020. He served as Vice President - Information Technology between April 29, 2019 and July 26, 2020. From September 2001 to April 2019, he worked for Lund Food Holdings, Inc. as the Vice President, Information Services leading the Information Technology team and E-commerce Operations.

**Vice President of Concept Support Services: Jolynn Fielder**

Jolynn Fielder has been Vice President of Concept Support Services since May 2021. She served as Vice President of U.S. Franchise Operations, West from February 2017 through April 2021. ADQ has employed Ms. Fielder in various other positions since 1997, including as Area Vice President for the East Great Lakes area from July 2013 to February 2017 and as Director of PRIDE Check Consulting from February 2007 to June 2013.

**Vice President of U.S. Franchise Operations, West: Roger C. Brewin**

Roger Brewin has been Vice President of U.S. Franchise Operations, West since May 2021. He served as Vice President of U.S. Franchise Operations, East from July 2018 through April 2021 and Vice President of Concept Support Services from October 2015 through June 2018. ADQ has employed Mr. Brewin in various other positions since 2005 including as Area Vice President of Operations – Western Hemisphere from January 2012 to September 2015; Director of Concept Support Services from March 2007 to December 2011; and Business Consultant from June 2005 to February 2007.

**Vice President of U.S. Franchise Operations, East: David Giacone**

David Giacone has been Vice President of U.S. Franchise Operations, East since May 2021. He served as Vice President of Concept Support Services from July 2018 through April 2021. Mr. Giacone was employed as Director of Operations for the Texas Region from February 2017 through June 2018 and Director of Development Operations from 2013 to 2017. From 2011 to 2013, Mr. Giacone was Director of Operations for Fourteen Foods, Inc., a multi-unit franchisee of ADQ. From 2000 to 2011, Mr. Giacone held various field operation positions with ADQ.

**Vice President, Restaurant Training and Curriculum, U.S. and Canada: Angie Ballinger**

Angie Ballinger has served as Vice President, Restaurant Training & Curriculum since April 2024. Prior to that she served as Global Lead, Learning & Development at Cargill, Inc. from January 2011 to October 2023.

**Item 3: Litigation****Pending Cases**

2-MNA, LLC vs. American Dairy Queen Corporation (State of Minnesota Fourth Judicial District Court, Hennepin County, #27-CV-24-12897, filed August 30, 2024). Plaintiff, a DQ franchisee, initiated this litigation seeking a temporary restraining order preventing ADQ from terminating Plaintiff's franchise agreement for the use and/or storage of rerun (defined as the use and/or storage of soft-serve mix that has been run through a soft serve machine) which is a public health and safety zero-tolerance violation of the franchise agreement. Plaintiff alleges breach of contract, breach of the implied covenant of good faith and fair dealing, and violation of the Minnesota Franchise Act. Additionally, Plaintiff is seeking temporary and permanent injunctive relief, compensatory damages, attorneys' fees, and costs. ADQ opposed the Plaintiff's motion for a temporary injunction. On February 13, 2025, the Court denied the temporary injunction motion, and the restaurant closed on February 14, 2025. ADQ will continue to vigorously defend itself.

American Dairy Queen Corporation vs. UAM, LLC (United States District Court, Western District of Texas, San Antonio Division, #5:24-cv-1209, filed October 23, 2024). American Dairy Queen Corporation (“ADQ”) initiated this litigation seeking an order declaring Defendant, a DQ® franchisee, breached its obligations under the franchise agreement by failing to use soft serve mix, supplies, and fresh milk as approved by ADQ, which is a public health and safety zero-tolerance violation of the franchise agreement. ADQ alleges breach of contract, trademark infringement and unfair competition in violation of the Lanham Act, as well as common law unfair competition. ADQ is seeking temporary and permanent injunctive relief, compensatory damages, attorneys’ fees, and costs. On November 15, 2024, the Defendant filed a counterclaim alleging wrongful termination of the franchise agreement and breach of contract. Defendant is seeking a declaratory judgment reinstating Defendant’s franchise agreement, compensatory damages, attorneys’ fees and costs. The court granted ADQ’s request for preliminary injunction at a November 22, 2024 hearing. A jury trial is set for May 19, 2025. ADQ will continue to vigorously pursue its claims and defend itself against the counterclaims.

Project Lonestar, Inc. vs. American Dairy Queen Corporation (United States District Court, Northern District of Texas, Dallas Division, #3:25-cv-00339-L, filed February 11, 2025). Project Lonestar, Inc. initiated a lawsuit against American Dairy Queen Corporation seeking injunctive relief and damages. On April 9, 2025, Plaintiff filed an amended complaint alleging breach of contract, interference with contract and/or interference with prospective business relationship by ADQ, and fraud related to the transfer process for several of their franchised restaurants. ADQ denies the claims and has asserted counterclaims against Project Lonestar, Inc., Elite Restaurant Group Inc. and Elite Ltd. for unpaid license, advertising, and termination fees.

State of Rhode Island Office of the General Treasurer, individually and on behalf of all similarly situated persons v. Domino’s Pizza, Inc., Russell J. Weiner, Sandeep Reddy, Joseph H. Jordan, and Arthur P. D’Elia (Case No. 2:24-CV-12477-LVP-APP, United States District Court for the Eastern District of April 2025 10 Michigan). On September 20, 2024, plaintiff Scott Bender filed a putative federal securities class action against Domino’s, its Chief Executive Officer, Russell Weiner, and its Chief Financial Officer, Sandeep Reddy (together with Domino’s and Mr. Weiner, collectively, “Defendants”) on behalf of a class consisting of all persons and entities that purchased or otherwise acquired Domino’s securities between December 7, 2023 and July 17, 2024. Bender alleges that, throughout the putative class period, Defendants made materially false and/or misleading statements and/or failed to disclose materially adverse facts concerning Domino’s likelihood of meeting its previously issued long-term guidance for annual global net store growth. Bender further alleges that, following the news of downwardly revised net store growth guidance and the decline in the market value of Domino’s securities, the members of the purported class suffered losses and damages. The complaint asserts the following causes of action: (i) violations of Section 10(b) of the U.S. Securities Exchange Act of 1934 (the “Exchange Act”) and Rule 10b5 promulgated under the Exchange Act, against all Defendants; and (ii) violations of Section 20(a) of the Exchange Act, against Mr. Weiner and Mr. Reddy. On February 10, 2025, following competing motions to be named as lead plaintiff, the Court issued an order naming the State of Rhode Island Office of the General Treasurer as the lead plaintiff in this action, and naming Rhode Island’s counsel as lead plaintiffs’ counsel. On April 11, 2025, plaintiffs filed an amended class action complaint naming two additional individual defendants, including Arthur D’Elia who now serves as ADQ’s Chief Operating Officer, US and Canada. Mr. D’Elia served as Domino’s Executive Vice President, International from May 2022 until he resigned from the position in

October 2024. Plaintiffs allege that Mr. D’Elia also made false and/or misleading statements about Domino’s global net store growth during the putative class period and includes Mr. D’Elia in its assertions of violations of Section 10(b), Rule 10b5, and Section 20(a) of the Exchange Act. This matter is currently in the pleading phase. Mr. D’Elia and the other defendants intend to vigorously defend these claims.

### **Concluded Cases**

Rodney Johnson and Food Ventures, Inc. vs. American Dairy Queen Corporation (American Arbitration Association, No. 01-16-0005-3571, filed December 9, 2016). Claimants, a DQ Grill & Chill franchisee and its owner, initiated this arbitration claiming that ADQ unlawfully encroached upon their franchise by franchising another DQ Grill & Chill restaurant in what they allege is too close a proximity to their restaurant. Claimants alleged that the encroachment caused a decline in their restaurant’s sales and profitability. They claimed that ADQ’s actions violated the Washington Franchise Investment Protection Act and the Washington Consumer Protection Act and alleged breach of contract, breach of the implied covenant of good faith and tortious interference with business expectancy. On August 5, 2017, the parties entered into a settlement agreement under which claimants are allowed to pay ADQ a reduced royalty fee and advertising fee for set periods and avoid the modernization requirement for the next transfer of the franchise since the restaurant recently had been remodeled to current image. ADQ also paid claimants \$25,000.

American Dairy Queen Corporation. vs. Universal Investment Corporation f/k/a Neos Corporation (United States District Court, Western District of Wisconsin, No: 16-cv-323, filed May 16, 2016). ADQ commenced this action against the defendant franchisee seeking a declaratory judgment that ADQ properly terminated defendant’s franchise agreement after defendant failed to comply with numerous contractual requirements and then failed to timely cure its defaults of the franchise agreement after notice from ADQ. ADQ also sought injunctive relief and damages under the Lanham Act for defendant’s infringement of ADQ’s trademarks. Defendant counterclaimed against ADQ alleging claims for violation of the Wisconsin Fair Dealership Law, tortious interference with contract, and several counts of intentional breach of contract. On August 25, 2017, the court granted ADQ’s motion for partial summary judgment and dismissed defendants claim for tortious interference. The parties settled the remaining claims on December 11, 2017 with defendant agreeing to relinquish any remaining rights he may have to use ADQ’s trademarks and systems under, and to the termination of, his franchise agreement and the territory agreements for four territories in Iowa in exchange for a mutual release of claims and a payment of \$425,000 from ADQ.

M & M Petroleum Too, Inc. vs. American Dairy Queen Corporation (American Arbitration Association, #01-19-0003-3181, filed October 18, 2019). ADQ terminated Petitioner’s franchise rights effective October 21, 2019 for failure to submit accounts receivable balances, store monthly reports and fees and other documents contractually required under the Operating Agreement to be submitted to ADQ. Petitioner alleged wrongful termination and requested a stay of the termination pending a determination of Petitioner’s rights under the Operating Agreement. Petitioner also claimed damages for breach of contract and attorneys’ fees. ADQ denied Petitioner’s claims and counterclaimed for breaches of the operating agreement. The parties reached a settlement on

March 12, 2020 under which they agreed to terminate the operating agreement effective April 15, 2020 and both parties agreed to waive their claims for damages, including ADQ's claims for any unpaid fees owed by Petitioner.

White Enterprise, Inc. vs. American Dairy Queen Corporation (American Arbitration Association, Case No. 01-20-0000-3584, filed January 30, 2020). Claimant commenced this action January 30, 2020 alleging a breach of contract and implied covenant of good faith and fair dealing. In addition, Claimant seeks a declaratory judgment requiring ADQ to provide Claimant with the full benefits of ADQ's sales promotion program including point-of-sale and other store-level materials without the requirement of pledging to the higher national marketing fund commitment level. The parties reached a settlement on May 15, 2020 under which they agreed that, effective January 1, 2021, Claimant shall pay to ADQ a sales promotion fee of 2.5% of gross sales and ADQ shall provide Claimant with the full benefits available under the National Marketing Fund ("NMF") or any equivalent marketing program ADQ may make available to U.S. franchisees in the future.

### **Actions Involving the Franchise Relationship**

In the fiscal year ended December 31, 2024, ADQ or its affiliates were parties to the following actions involving the franchise relationship:

No litigation is required to be disclosed in this Item.

### **Item 4: Bankruptcy**

No bankruptcy is required to be disclosed in this Item.

### **Item 5: Initial Fees**

#### **Initial Franchise Fee**

You must pay ADQ a \$25,000 initial franchise fee for a single franchise, the first \$10,000 of which is a non-refundable deposit due when you submit a franchise application, which is included in this disclosure document as Exhibit D. The balance of the initial franchise fee is due when ADQ approves the franchise application and issues a written consent letter. You do not pay an initial franchise fee if you are a conversion franchisee, an existing franchisee relocating a restaurant under ADQ's relocation policy, or an existing Orange Julius® franchisee converting an Orange Julius® location to a DQ® Treat location.

The initial \$10,000 deposit is not refundable and the balance of the initial franchise fee is refundable only in the following instances: (1) if you withdraw your application after ADQ has approved it but before you commence construction; (2) if your required training attendees fail to successfully complete the training program and your approval is cancelled (see Item 11 for information on required training attendees); (3) if your site is not designated and ADQ does not consent to the site within 90 days after the date ADQ approves your application; or (4) if you have not commenced construction within 180 days from the franchise agreement effective date. In these instances, ADQ has the right to cancel any agreements that have been signed with ADQ without opportunity to cure.

ADQ may charge a reduced, non-refundable initial franchise fee in certain situations, including: (1) when a franchisee is opening a franchise in a previously closed location; (2) certain Captive-venue locations, including those in airports, colleges and universities, and with certain national food service operators specializing in providing food service in these types of locations; and (3) for operators with multiple DQ® locations who have developed one or more new franchises with ADQ in the past five years, who have an ADQ certified multi-unit operator training program, and have a full time construction supervisor on staff.

Neither ADQ nor its affiliates finance any part of an initial franchise fee.

### **Other Fees and Payments Made to ADQ or Its Affiliates Prior to Opening**

You must pay ADQ a fee of \$200 for each training attendee to take the management training readiness assessment (“MTRA”) and an additional \$200 for each retake or repeat of the assessment. Therefore, the amount ADQ receives for your 1 required training attendee to take the MTRA is \$200, or more depending on the number of times a person attends and how many additional people attend the MTRA. See Items 7 and 11 for details on the MTRA.

In certain circumstances, you may be required to pay other fees or amounts to ADQ or its affiliates prior to opening. If you pay a reduced or no initial franchise fee, you may be required to pay ADQ fees that otherwise are included in the initial franchise fee, such as training fees, a design intent plans fee, a construction consultation fee and opening services fees. See Item 7 for details.

### **Item 6: Other Fees**

#### **OTHER FEES**

| Type of Fee            | Amount <sup>(1)</sup>  | Due Date <sup>(5)</sup>  | Remarks   |
|------------------------|--|--|---|
| Continuing License Fee | 5% of Gross Sales<br><br>Conversions, relocations and renewals see footnote <sup>(2)</sup> | On or before the 10 <sup>th</sup> day of each month for the previous month | “Gross Sales” means the total revenues and receipts from the sale of all products sold by your store, whether paid for by cash, credit, gift card or otherwise, including sales of all products under any of the Trademarks as well as sales of other products, services and merchandise, whether or not identified by other brand names, and excluding sales taxes and revenues and receipts arising directly from the sale of gift cards. ADQ may reduce the continuing license fee for specialty Captive-venue locations that charge admission or ticket for entrance, such as airports and sports stadiums. |



| Type of Fee                            | Amount <sup>(1)</sup>  | Due Date <sup>(5)</sup>   | Remarks   |
|--|--|---|---|
| Sales Promotion Program Fee            | <p>Up to 6% of Gross Sales of Orange Julius® branded products</p> <p>5% - 6% of Gross Sales of all other products</p> <p>Conversions and relocations see footnote <sup>(3)</sup></p> | On or before the 10 <sup>th</sup> day of each month for the previous month <sup>(7)</sup> | <p>Currently, the sales promotion program fee for Orange Julius® branded products is 5% for Street locations and 1.25% for Captive-venue locations.</p> <p>ADQ has the right to determine the percentage you must pay within the ranges, without regard to the sales promotion program fees paid by other DQ® restaurants and stores. ADQ will let you know at least 90 days in advance of any fee adjustment. ADQ may reduce the sales promotion program fee for specialty Captive-venue locations that charge admission or ticket for entrance, such as airports and sports stadiums.</p> |
| Lease-Required Sales Promotion Fees    | Will vary under circumstances  | When due  | In addition to the sales promotion program fees above, you must pay all sales promotion fees and comply with all sales promotion requirements required by your lease or sublease.   |
| Transfer Fee (for franchise agreement) | \$6,000  | When you submit transfer application  | Effective January 1, 2030, and each 5 years thereafter, the transfer fee increases by \$500. If ADQ refuses to consent to your proposed transfer or exercises its right of first refusal, ADQ will return the transfer fee, less any actual expenditures or disbursements that ADQ makes in direct connection with processing the proposed transfer.  |
| Renewal Fee (for franchise agreement)  | \$1,000 times number of years under renewal term (but not to exceed \$10,000)  | At time of renewal  | Any partial year of the renewal term will count as a full year for purposes of calculating the renewal fee. For example, if at the end of the initial term of the franchise agreement, you enter into a renewal franchise agreement with a term of 7½ years, you will be required to pay a renewal fee of \$8,000.  |

| Type of Fee                               | Amount <sup>(1)</sup>   | Due Date <sup>(5)</sup>   | Remarks  |
|---|---|---|--|
| Audit and Recordkeeping Costs             | Your contractual percentage continuing license fees and percentage sales promotion program fees times the amount of understated Gross Sales, plus any other amounts owed to us  | After audit revealing understatement of Gross Sales by 3% or more | If an initial evaluation or audit reveals an understatement of Gross Sales by 3% or more, you must pay all costs for the audit, including salaries, outside accountant and attorneys' fees, copying costs, postage, travel, meals, and lodging ("audit costs"), plus audit costs for any additional audits within 2 years after the initial evaluation or audit. |
| Termination Fee (for franchise agreement) | One of the following: (1) Two times the continuing license fee due for the last 12 months of active operations; (2) If the location did not operate for a full 12 months, 24 times the average monthly continuing license fee when location was open; or (3) If less than 24 months remain on the franchise agreement, the number of months remaining, times the average monthly continuing license fees due for the last 12 months of active operations. | Upon termination  | Applies if ADQ terminates your franchise agreement for default. Does not apply if your initial franchise fee is refunded under the circumstances described in Item 5.  |
| Interest Expenses                         | 18% per annum or the maximum contract rate permitted by governing law   | When due  | Applies to past due payments payable to ADQ.   |
| Late Fees                                 | \$50 per delinquent report or payment   | When due  | ADQ has the right to require you to pay a service charge for each delinquent report or payment.  |
| Additional Training Fees                  | Will vary based on circumstances <sup>(4)</sup>   | When incurred   | You must at all times have the required number of trained managers. If you have a trained manager leave, you must replace them with a new manager that has completed ADQ's training requirements.  |

| Type of Fee                                       | Amount <sup>(1)</sup>                        | Due Date <sup>(5)</sup>                          | Remarks  |
|---|--|--|--|
| Gift Card Program Fees                            | Currently, 3% of total gift card redemptions | When incurred                                    | Gift card program fees are allocated based on a shared cost model between franchisees and the national marketing fund (“NMF”). Currently, franchisees pay fees equaling 3% of total gift card redemptions, which ADQ estimates will be about \$200 per year per location. NMF covers the balance of the gift card program’s costs. In the future, the percentage allocation of costs between franchisees and NMF may change.   |
| Costs and Attorneys’ Fees                         | Will vary under circumstances                | When incurred                                    | You must pay ADQ for its costs and attorneys’ fees in obtaining injunctive or other relief for the enforcement of the franchise agreement.   |
| Training Materials                                | \$150 - \$500                                | As materials are provided                        | ADQ has the right to produce and require you to periodically purchase certain store training materials for use with your employees. These may include DVDs, CDs, written publications and other items.   |
| Training Cancellation or Trainee Substitution Fee | \$100 - \$1,000                              | Upon cancellation or substitution of new trainee | <p>Fees for cancelling training are:<br/> \$150 for cancelling phase 1 and 2 more than 14 days before the training class;<br/> \$750 for cancelling phase 1 and 2 fourteen or less days before the training class;<br/> \$1,000 for cancelling phase 3 twenty one or less days before the training class.</p> <p>If you pay training tuition for the attendee, ADQ will withhold the cancellation fee from your refund. If you pay an initial franchisee fee and the tuition is included, you must pay the cancellation fee to ADQ.</p> <p>You must pay a trainee substitution fee of \$200 if you substitute a new individual to attend training less than 14 days before a training class.</p> |

- (1) Except where otherwise noted, all fees are payable to ADQ or one of ADQ’s affiliates, are uniformly imposed and are nonrefundable.
- (2) If you are a conversion franchisee who signs the soft-serve only conversion addendum in Exhibit C, you will carry over your continuing license fee for DQ® soft-serve products (*i.e.*, keep the same rate as your soft-serve only agreement for these products) and pay 5% of gross sales for all other products. If you are a conversion franchisee who signs the NSF conversion addendum in Exhibit C, you pay the same continuing license fee on soft-serve products as contained in your existing DQ® franchise agreement. You do not pay a

continuing license fee on food menu products for the first 36 full months after the Effective Date. Starting with the 37th full month, you must pay a continuing license fee of 5% of “Food Sales” minus “Base Food Sales.” Food Sales and Base Food Sales are defined in the applicable conversion addendum.

If you are relocating a store under ADQ’s relocation policy, you will carry over your continuing license fee from your existing franchise agreement for years 1-5 of the new franchise agreement. For years 6-10, your continuing license fee will be the mid-point between the continuing license fee in effect for years 1-5 and 5%. For example, if you paid 2% of Gross Sales for years 1-5, then you must pay 3.5% of Gross Sales (the mid-point between the 2% continuing license fee applicable to years 1-5 and the standard 5% continuing license fee in the franchise agreement) as a continuing license fee for years 6-10. For year 11 and throughout the remainder of the franchise agreement, you must pay 5% of Gross Sales, as detailed in the table above.

If you are renewing a franchise agreement entered into prior to April 2007 that contains a 6% continuing license fee and a requirement to modernize, you must sign the Renewal Addendum included in Exhibit B and your continuing license fee will remain at 6% until the modernization is complete, when it will be decreased to 5%.

- (3) If you are a conversion franchisee who signs the soft-serve only conversion addendum in Exhibit C, you must pay a sales promotion program fee of 3% of gross sales. If you are a conversion franchisee who signs the NSF conversion addendum in Exhibit C, you must pay a sales promotion program fee equal to the greater of 2.5% of gross sales or the rate in your existing franchise agreement.

If you are relocating a store under ADQ’s relocation policy, for years 1-5 of the new franchise agreement you must pay the sales promotion program fee in your current franchise agreement but not less than 3.5%. For years 6-10, you must pay the sales promotion program fee in your current agreement but not less than 4%. For year 11 through the remainder of the term of the franchise agreement, you must pay the sales promotion program fee of 5-6% of Gross Sales, determined in the same manner as disclosed in the table above.

- (4) See Item 11 for more information regarding ADQ’s training requirements.
- (5) If you pay or report late, ADQ may require you to remit amounts due through a weekly payment program. You must pay all business debts, liens and taxes promptly when due. If you fail to do so, ADQ may pay them and is entitled to immediate reimbursement from you.

### **Item 7: Estimated Initial Investment**

#### **YOUR ESTIMATED INITIAL INVESTMENT**

| <b>Type of Expenditure</b>   | <b>Amount for Captive-Venue Location<sup>(1)</sup></b> | <b>Amount for Street Location<sup>(1)</sup></b> | <b>Method of Payment</b>                        | <b>When Due</b>                   | <b>To Whom Payment Is to Be Made<sup>(2)</sup></b> |
|--|--|---|---|-----------------------------------|--|
| Initial Franchise Fee <sup>(3)</sup>                                       | \$25,000   | \$25,000  | Lump sum  | When submit franchise application | ADQ  |
| Initial Training Fees and Costs <sup>(4)</sup>                             | \$400 - \$8,400  | \$750 - \$8,400                                 | Lump sum  | Prior to training                 | ADQ or third party suppliers                       |
| Travel and Living Expenses for Training Programs <sup>(5)</sup>            | \$5,200 - \$17,300                                     | \$5,200 - \$17,300                              | Lump sum  | As incurred during programs       | Transportation companies, hotels and restaurants   |
| Building, Construction and Leasehold Improvements <sup>(6)</sup>           | \$235,000 - \$470,000                                  | \$390,000 - \$870,000                           | As Incurred                                     | Prior to opening                  | Landlord, third party suppliers and contractors    |
| Prepaid Rent and Security Deposit <sup>(7)</sup>                           | \$2,500 - \$5,500                                      | \$2,500 - \$5,500                               | Lump sum  | Prior to opening                  | Landlord   |
| Construction Consultation Services <sup>(8)</sup>                          | \$0 - \$5,000  | \$0 - \$7,500                                   | Lump sum  | Prior to consultation             | ADQ  |
| Building Plans, Design Intent Plans and Architectural Seal <sup>(9)</sup>  | \$7,000 - \$20,000                                     | \$10,000 - \$50,000                             | Lump sum  | As incurred                       | ADQ or third party suppliers                       |
| Equipment (includes signs and point-of-sale systems) <sup>(10)</sup>       | \$220,000 - \$360,000                                  | \$360,000 - \$420,000                           | Lump sum, or down payment with balance financed | Usually upon placement of order   | Third party suppliers                              |
| Training Inventory <sup>(11)</sup>   | \$3,000 - \$6,000                                      | \$4,000 - \$8,000                               | Lump sum  | Prior to opening                  | Third party suppliers                              |
| Opening Inventory  | \$6,000 - \$10,000                                     | \$6,000 - \$15,000                              | Lump sum  | Prior to opening                  | Third party suppliers                              |
| Utility Deposits, Business Licenses and Government Charges <sup>(12)</sup> | \$3,000 - \$7,500                                      | \$3,000 - \$15,000                              | Lump sum  | Prior to opening                  | Third party suppliers; local municipality          |

| <b>Type of Expenditure</b>                  | <b>Amount for Captive-Venue Location<sup>(1)</sup></b> | <b>Amount for Street Location<sup>(1)</sup></b> | <b>Method of Payment</b> | <b>When Due</b>                  | <b>To Whom Payment Is to Be Made<sup>(2)</sup></b>          |
|---|--|---|--------------------------|----------------------------------|---|
| Attorneys' Fees <sup>(13)</sup>             | \$1,000 - \$8,000                                      | \$1,000 - \$8,000                               | Lump sum                 | As incurred                      | Attorney  |
| Additional Funds - 3 Months <sup>(14)</sup> | \$41,000 - \$115,000                                   | \$41,000 - \$155,000                            | As incurred              | Prior to opening and as incurred | ADQ and its affiliates; employees; or third party suppliers |
| TOTAL <sup>(15) (16)</sup>                  | \$549,100.00 - \$1,057,700.00                          | \$848,450 - \$1,604,700                         |                          |                                  |   |

- (1) The initial investment amounts do not include the cost of land, and the amounts in several categories will vary depending on building size, whether you lease or own the space or building, and whether you are a new or conversion franchisee, among other factors.
- (2) Except where otherwise noted, all fees paid to ADQ or its affiliates are nonrefundable. Third party lessors, contractors, and suppliers determine if payments to them are refundable.
- (3) See Item 5 for conditions when the initial franchise fee is refundable, or when you may pay a reduced or no initial franchise fee in certain circumstances.
- (4) There are three required components to training: (1) the MTRA; (2) SERVSAFE certification; and (3) ADQ's training program, which is made up of three phases. The MTRA costs \$200/person, a SERVSAFE course costs \$200-\$400/person, and ADQ's training program costs \$3,600/person. If you are a current franchisee that already has at least one existing DQ® Treat location open and operating for a minimum of two years and you are developing an additional restaurant under ADQ's additional restaurant development (ARD) program, you may be permitted with operational approval to have training candidates with a certain level of experience test out of Product and Equipment Training (phase 1), in which case the cost of the remaining phases of ADQ's training program is \$2,300/person, or test out of both Product and Equipment Training, and Service, Management and Financial Basics Training (phases 1 and 2), in which case the cost of the remaining phase of ADQ's training program is \$1,000/person. If you pay the full initial franchise fee, you can send one person to ADQ's training program without paying a training fee.

The low end of the range assumes you pay for one person to pass the MTRA and obtain SERVSAFE certification. The high end of the range assumes you pay for one person to take the MTRA, obtain SERVSAFE certification and attend all three phases of ADQ's training program. If your trainee does not pass People, PRIDE, and Profit Training (phase 3) within six months after phase 2 completion, you must pay an additional \$1,000/person for phase 3 completion.

The MTRA fee is nonrefundable. If a training attendee cancels a scheduled MTRA more than one business day before the scheduled MTRA, the MTRA fee will be applied to the next scheduled MTRA for that attendee. If a training attendee fails to cancel at least one business day before the scheduled MTRA or fails to appear at the testing facility, the MTRA fee will be forfeited.

In limited instances, you may be required to pay ADQ a fee for on-site pre-opening and opening assistance. Availability of this assistance is at ADQ's discretion, and you must pay for the full opening program as determined by ADQ. The fee is approximately \$800 per day, per person that provides assistance, which is due prior to the time the on-site pre-opening and opening assistance is rendered. The total due can vary widely, depending on various factors such as your and your crew's level of experience, the number of ADQ personnel providing assistance, and the extent and duration of assistance provided.

If you relocate a store under ADQ's relocation policy, you are required to meet the then-current minimum training requirements for new DQ® Treat stores. For those training items listed in this table (all phases of ADQ's training program, the MTRA, and a SERVSAFE course, for which your management team is not in compliance, you must comply and pay all associated fees described in this Item 7.

- (5) The total amount of travel and living expenses will vary depending on the number of training attendees and the types of training completed by your training attendees; these estimates assume you send two people to all three training components. ADQ estimates you will pay approximately

\$0-\$250/person for the MTRA (the MTRA is generally available at locations reasonably close to prospective franchisees), \$0-\$400/person for a SERVSAFE course, and \$2,600 - \$8,000/person for all phases of ADQ's training program.

- (6) The estimates include site work, buildout, mechanical and other related fees, but does not include land costs. A Captive-venue location will have approximately 600-1,400 square feet and will ordinarily be a leased space within a larger structure. A Street location will have approximately 1,000-1,800 square feet and will ordinarily be owned. The initial investment for leasehold improvements will vary depending upon local labor costs, anticipated traffic through the store, and whether the building is a completed structure immediately adaptable to installation of necessary fixtures and equipment or whether it is a location where construction is in progress. These variables affect how obligations will be distributed between landlord and tenant under different lease agreements and the costs of acquisition and construction. ADQ must approve the leasehold improvements prior to construction, including the graphics and signage for the store front.

In the rare event that ADQ or one of its affiliates agrees to sign a prime lease for the premises and sublease the premises to you, ADQ or its affiliate will charge you the cost of the prime lease, all deposits required by the landlord, a lease administration fee and any lease costs to buy out a previous lessee of the location. You must pay all leasehold improvement and equipment costs. See Item 10.

If you purchase land and building for a Street location, the land costs will generally vary from \$250,000 to \$620,000 or more. ADQ does not typically provide the necessary land or building for Street locations and your budget must allow for the initial cash outlays and long term investment obligations necessary to acquire the land and building. The total cost of the real property for a Street location will vary depending on many variables including restaurant location and lot size; building size; site improvement costs; soil and environmental conditions; federal, state and local building codes and fees; health department requirements; local labor, materials and interest costs; union labor requirements; inflation and other factors. Down payment requirements and initial financing or commitment expenses are negotiated individually and vary too widely to realistically predict.

- (7) You usually will be required to pay one month base rent as a security deposit to the landlord and may be required to pay an additional security deposit under a sublease. ADQ estimates base rent for 750 square feet will be \$3,500 to \$7,000 or more per month, plus approximately 8% to 12% of gross sales in excess of a specified amount to which base rent is credited; actual rent will vary based on store size, geographic location, costs assumed by the landlord and other economic factors. Leases also usually impose an obligation toward common area maintenance costs, insurance charges, real estate taxes and special assessments, HVAC charges, utility charges, water and sewer charges, security charges, trash removal charges, mall charges, promotional and marketing charges, food court charges and improvements, and charges for membership in a merchants association.
- (8) ADQ requires that it consult with and assist you on all preopening construction and equipment installation for the franchised premises, and that you sign the construction consultation services agreement included in this disclosure document as Exhibit G. ADQ will not provide this service if you do not retain the services of a general contractor licensed to work in the city and state in which the project is located. ADQ will not charge the construction consultation services fee if you pay the full initial franchise fee, but you must pay this fee if you pay a reduced or no initial franchise fee (for example, as a conversion franchisee or if you relocate your store under the relocation policy). You are responsible for any additional costs due to delays or complications beyond ADQ's control, and for any deviations or escalations in any leasehold improvements or construction costs, including any additional costs to comply with all federal, state, or local requirements.



- (9) ADQ will provide you with design criteria information to assist you, your architects and engineers in preparing building plans. In the rare event that ADQ or one of its affiliates is the prime lessee of your store premises, you must purchase design intent plans designated by ADQ (see Item 5). If you develop a freestanding Street location, you may be required to purchase ADQ's prototypical design intent plans for Street locations if they are available, for a fee of \$3,000 (which is included in your initial franchise fee for new and ARD locations). These plans are valid for 6 months from the date of issuance. In either case, you must sign the design services agreement included in this disclosure document as Exhibit F, and will need to hire an architect to prepare building plans for your store. Your architect must conform any design intent plans or design criteria information that ADQ provides (which are designed to meet Minnesota Building Code) to local, state and federal laws and building code requirements, including the Americans With Disabilities Act.

The building plans must be full architectural, mechanical, electrical, plumbing and food service drawings showing equipment layout, manufacturer and model numbers and bearing the seal of a registered architect in the state where your store will be located; building plans for a Street location must also include full structural, and final site and grading plan. You must submit your store building plans for ADQ's approval before you begin construction, and your architect must obtain any local building plan approval. ADQ must approve in writing any proposed alterations to design intent plans, design criteria information or previously approved building plans. Further, if your local architect makes any revisions to ADQ's design intent plans or design criteria information, those revisions become the property of ADQ and its affiliates, and ADQ and its affiliates have the right to use those plans in any manner in the future.

- (10) Your investment in equipment and fixtures is highly variable for your store. The investment depends to a great extent on the size of the building or space and whether you are in a Captive-venue or Street location. The investment also depends on the size and location of your store, the anticipated traffic through the store, local labor costs, current prices charged by equipment suppliers, discretionary expenditures, inflation, financing costs and similar factors beyond ADQ's or your control. Equipment payments generally are not refundable. Investment obligations beyond the initial cash outlay requirements will be necessary and you may finance at your discretion. Market forces will determine loan repayment totals and interest on borrowings will be determined by market forces at the time of any financing transaction.
- (11) You must purchase the training inventory used by you and your employees at your store during ADQ's on-site opening assistance.
- (12) This amount includes utility and security deposits and business licenses. Deposits are generally refundable, but license fees are not. For a Street location, you may be required to submit an impact study to a local government agency to receive necessary local permits and approvals for your store. These estimates may be significantly higher in some unique jurisdictions where local authorities may require fees in excess of \$100,000 for electrical, sewer/water and/or other miscellaneous connections.
- (13) This amount is an estimate for attorneys' fees in connection with your purchase of the franchise and purchase or lease of the franchised premises.
- (14) This amount is projected to cover initial operating expenses for one store for three months, such as managerial salaries, rent, debt service, local advertising, taxes, freight, office expenses, security, Payment Card Industry ("PCI") compliance, monthly service and support fees related to components of the EPOS system, credit card processing, internet connection, and/or authorized music systems, but you may have additional expenses starting the business. This amount does not

include hourly labor or food costs beyond the opening inventory costs listed. Your costs will depend on factors such as adherence to ADQ's systems and procedures, management skills and experience, business acumen, local economic conditions, the local market for DQ® products, competition, employee compensation, the number of employees, and the sales level reached during the initial period.

- (15) This total is an estimate of your initial investment for a single store and is based on ADQ's estimate of nationwide average costs, market conditions prevailing as of the date of this disclosure document, and ADQ's and its predecessors' experience in the business since 1940. You should review this amount carefully with a business advisor before making any decision to enter into a franchise agreement. For determining your initial cash position, you should anticipate that local lending institutions ordinarily require a 20% equity position on all leasehold improvements and possibly 25% on all equipment.

ADQ cautions you to allow for inflation, discretionary expenditures, fluctuating interest rates and other costs of financing, and local market conditions, which can be highly variable and can result in substantial, rapid and unpredictable increases in costs. You must bear any deviation or escalation in costs from the estimates in this Item or estimates that ADQ gives during any phase of the development process.

- (16) If you are a conversion franchisee or a franchisee converting an existing facility that was a different restaurant brand, you may not incur all of the expenses listed in this Item 7. Conversion costs may vary significantly, depending on the type (i.e., Captive-venue or Street location) and condition of the facility, the prior use of the building, and other costs that might be incurred to rectify deferred maintenance issues and/or to make other facility upgrades that are not directly related to the conversion but that are completed at the same time.

## **Item 8: Restrictions on Sources of Products and Services**

### **Required Purchases**

You must maintain and comply with ADQ's quality standards to protect the uniform image and quality of products and services throughout the DQ® system.

While you are not required to purchase or lease real estate from ADQ or its affiliates, you must obtain ADQ's consent to the location of your store, and ADQ has the right but not the obligation to approve the lease for the store premises prior to execution. You must construct and equip your store according to the then-current design, specifications and standards and must ensure that your building plans comply with the Americans With Disabilities Act and all other federal, state and local laws.

You must modernize your building, premises, equipment, signage and grounds to conform to ADQ's then-current standards for similarly situated new DQ® restaurants when you renew your franchise, on transfer of the franchise under certain circumstances, and every 10 years or any shorter period required by any applicable lease or sublease for the premises.

You may only use or purchase products approved by ADQ that meet ADQ's specifications. For purposes of this Item 8, "products" includes products, services, ingredients, supplies, signage, fixtures, furnishings, advertising and sales promotion materials, and equipment (including hardware and software for a computerized electronic point-of-sale ("EPOS") system or other

computer systems, communications equipment, or electronic services providers). Approved products must meet ADQ's specifications, and are manufactured, provided or prepared by ADQ approved manufacturers, suppliers or distributors. ADQ periodically identifies approved products for use in DQ® locations, and has the right to periodically change the list of approved products, and to update and alter the specifications for approved products.

ADQ always has the right to designate a single approved manufacturer, supplier or distributor for the following products: (1) soft drinks; (2) third party branded products; (3) products relating to limited time offers and special promotions; (4) equipment, including EPOS equipment and all related point-of-sale and web based software and back-office hardware and software; (5) any product you purchase where ADQ does not receive a fee or payment from the manufacturer with respect to the sale of that product, other than payments from vendors for marketing; and (6) the Orange Julius® proprietary powders and frozen orange juice concentrate.

For other products not listed in (1) - (6) above, as long as there is not in place an agreement for a "unified purchasing program," a franchisee may make written request for approval of a specific product, service or piece of equipment of an additional, qualified manufacturer, supplier or alternate distributor, pursuant to ADQ's then current policies and procedures.

ADQ has received and offered proposals to create a unified purchasing program as a joint effort between ADQ and a cooperative association of DQ® restaurant and store operators, to benefit the entire DQ® system in the United States. For any period during which there is an agreement for a unified purchasing program: (1) ADQ will designate as approved the manufacturers, suppliers or distributors properly selected within the structure of that program; and (2) ADQ has the right to designate a single approved manufacturer, supplier and/or distributor of any approved products.

ADQ has currently designated ParTech, Inc. as the sole supplier of the required EPOS hardware and software that you must purchase for your restaurant. You will be required to sign an agreement with ParTech for the purchase of the equipment, software subscription services, installation and other services ("ParTech Participation Agreement") when you sign your franchise agreement. ADQ also has designated (a) Fiserv (formerly, FirstData Merchant Services) as the sole supplier of payment card processing and related services you must purchase, (b) Verifone as the sole supplier of certain payment card data encryption services that you must purchase; (c) ValueLink, LLC as the sole supplier of the gift cards and related services you must purchase, (d) Olo Inc. as the sole supplier of the DQ Mobile Ordering System; (e) Punchh Inc. as the sole supplier of the DQ Mobile Loyalty platform that you must purchase; (f) Acumera as the sole supplier of managed firewall services you must purchase and (g) Cineplex Digital Media Inc. as the sole supplier of the digital menu boards you must purchase. Copies of the ParTech Participation Agreement and the participation agreements that you must sign and/or agree to the terms with ValueLink, Olo, Punchh, Acumera and Cineplex are included in this disclosure document as Exhibit E. When you sign the franchise agreement, you must also sign the then-current participation agreements offered by the other suppliers listed above. ADQ has the right to designate suppliers in place of or in addition to these suppliers.

The franchise agreement requires you to purchase and maintain liability insurance at a minimum limit of liability that ADQ designates periodically. You also must purchase and maintain any other insurance required by law or by any agreement related to the franchised business. You must furnish

copies of all insurance certificates to ADQ. ADQ has arranged with a third party insurer to make certain insurance, including liability insurance, available to qualifying franchisees.

ADQ may require you to periodically purchase restaurant training materials from ADQ. See Item 6 and 11 for more information.

ADQ estimates that the purchase or lease of equipment (including computer and EPOS system hardware and software), signage, fixtures, furnishings, products, ingredients, supplies, advertising and sales promotion materials (see Item 11 for information on advertising and sales promotion materials), and services which meet ADQ's specifications represent approximately 80% to 90% of the cost to establish the franchised business (excluding land) and 25% - 35% of the cost to operate the franchised business.

ADQ provides no material benefit (such as renewal or granting additional franchise rights) based on your purchase of particular products or services or use of particular suppliers, but your franchise agreement obligates you to use products and services approved by ADQ. ADQ considers a number of factors when determining whether you might qualify for an additional franchise, including compliance with your franchise agreement and support of ADQ's programs and policies.

### **Approval of Alternate Suppliers**

ADQ has the right to approve the manufacturer, supplier or distributor of any approved products you purchase. If there is no agreement in place for a unified purchasing program, you may request approval in writing of a specific product from an alternate manufacturer, supplier, or distributor, of products other than those listed in (1) – (6) in the "Required Purchases" section above in this Item 8. ADQ only approves alternate manufacturers for products if doing so will not create an inordinate number of manufacturers of the product, and the manufacturer meets ADQ's then-current requirements. ADQ will not make product specifications available to you, but upon request will provide summary specifications to you to provide to a manufacturer to determine if there is an interest in producing the product. ADQ will provide a manufacturer with detailed written specifications for the product, or, if detailed written specifications are not available, ADQ will provide the manufacturer with a parameter specification or information about a comparison product for purposes of obtaining approval of the alternate manufacturer. ADQ may require you and the manufacturer to sign a non-disclosure agreement before providing information on specifications.

ADQ uses the following criteria, which ADQ may change periodically, when evaluating an alternate product or manufacturer:

- Compliance with ADQ's specifications
- Ability to supply a large number of restaurants or geographic areas
- Ability of facility to meet ADQ's requirements and accessibility for periodic evaluations
- Completion of a successful facility inspection by ADQ and/or a designated third party auditor that, depending on the product, may need to be certified by a Global Food Safety Initiative (GFSI) recognized scheme
- Acceptable food defense plan, supplier specification, HACCP plan, product recall process, 24 hour contact information, and allergen control program

- Manufacturer attendance at meeting with ADQ's Research & Development staff to review specifications and related procedures
- Compliance with other requirements as may be periodically implemented

ADQ (or a third party product evaluator) may charge the evaluation cost to you or the manufacturer. ADQ may also charge the manufacturer for the cost of periodic reviews of existing products and manufacturing facilities, and may require the manufacturer to submit products and make payments to third-party product or facility evaluators. Fees charged are based on a schedule of fees as may be established periodically by ADQ or the third-party evaluator.

The manufacturer must provide samples (ultimately from a production run), product labels, and packaging for the alternate product. ADQ or a third party product evaluator will conduct an evaluation of one or more samples to determine if the manufacturer's product conforms to ADQ's specifications. The evaluation may take from 90 – 180 days or significantly more, depending on the complexity of the product, the specifications, the comparison product, and the manufacturing process, as well as the manufacturer's ability to provide samples and any required modifications on a timely basis. Before final approval, ADQ may require that a product successfully complete a field and distribution test where the product moves through a warehouse and is used in DQ® restaurants and stores, which may take an additional 30 – 60 days or more. ADQ will notify you and the manufacturer of the approval or rejection of the manufacturer or product. If the manufacturer or product is not approved, ADQ or a third party product evaluator will notify you and the manufacturer of the basis for the decision.

The manufacturer will be required to sign an approved products contract with ADQ that may be terminated on 90 days' notice, or that ADQ may terminate sooner if the manufacturer is in violation of any of the terms of the contract or if the product is discontinued for use in the DQ® system.

### **Supply Chain**

IDQ is involved in the purchasing and distribution business through its wholly-owned subsidiary, Unified Supply Chain, Inc. ("USCI"). In 2004, IDQ made the commitment to reduce its average margins over an eleven year period, culminating with a maximum average margin (as defined below) of 2.5%. In 2015, IDQ made an additional commitment that in 2016 it would permanently eliminate supply chain margin service fees received from manufacturers and distributors of equipment and smallwares, and that it would further reduce its maximum average supply chain margin to 1.5% by 2025. The 2004 and 2015 commitments are together referred to as the "margin commitment." This margin commitment refers to amounts received after deducting costs associated with developing and supplying products (such as tooling depreciation and rentals), technology tools, obsolete inventory and expedited freight. IDQ/ADQ made this margin commitment on a permanent basis to benefit all existing and future franchisees. Under the margin commitment, USCI has received margins between 0% and 8.5%, and under the new commitment the margins will be between 0% and 6.5%. For 2025, the maximum average margin is 1.5%. In addition, IDQ/ADQ made a commitment that should IDQ ever divest USCI, the buyer will be

obligated to honor the margin commitment, unless the buyer, as a franchisee cooperative, chooses to establish a different margin structure supported by a majority of its members.

“Margin,” for purposes of this Item, means the management service fee payments that USCI receives from vendors based on the warehouse landed cost of products within the scope of the margin commitment, in place of the margin that IDQ/USCI historically realized when IDQ/USCI was in the buy-sell (inventory ownership) position with respect to products used in the operations of DQ® restaurants and stores.

The scope of what is included in the margin commitment is food, paper, packaging, ready to decorate cakes, and other products managed through the USCI authorized warehouse system in the U.S., but does not include IDQ supply products, uniforms, and items not used in the operation of a restaurant. Manufactured frozen novelties have been excluded from the scope, and instead are under a separate margin schedule. In 2025, service fee payments relating to manufactured novelties will not exceed an average margin of 1.5%. National payments from vendors for marketing will flow through NMF and are not in the scope of the margin commitment.

USCI manages all of the components of the supply chain process, but is no longer in the purchase order process between distributors and vendors related to most purchases in the U.S. distribution system. ADQ, USCI or its affiliates negotiate purchase and sale arrangements (including price terms) with suppliers and distributors that benefit the DQ® system, which may include national account programs for products and services. However, ADQ and its affiliates do not negotiate on behalf of individual franchisees.

USCI obtains commitments from strategically located, independently owned warehouses to carry approved products, and to make them available to DQ® restaurants and stores within a particular area. USCI may require its authorized warehouses to carry a full line of products sourced by USCI, and may require that the warehouses sell to DQ® franchisees only those products that are sourced by USCI. Some products sourced and managed in the supply chain by USCI are the only approved products of their type because of a lack of franchisee requests for approval of an alternate supplier, the lack of incentives for others to engage in the supply or distribution of the product, or for other similar reasons.

An independent accounting firm annually reviews certain performance measures of USCI and USCI shares this information with its advisory council made up of elected franchisees, the Supply Chain Advisory Council (“SCAC”), which is further described in Item 20. The SCAC is given access to financial information of USCI to allow them to give valuable input to the management of USCI.

ADQ or its affiliates may sell advertising and sales promotion materials, and other food and non-food products used in the franchised business to franchisees, to authorized warehouses, or otherwise for use in the DQ® system.

There are one or more purchasing or distribution cooperatives in the DQ® system that may be involved in the distribution of certain products used in the franchised business.

## **Payments from Suppliers**

During the 2024 fiscal year, IDQ derived revenues of \$40,325,880 from the net sale of products, marketing kits, real estate finance and rental income, insurance, and supplier service fees. This amount equals 16% of IDQ's total revenues of \$257,640,594, based on IDQ's consolidated statement of income for the year ended December 31, 2024. Consolidated financial statements are included in this disclosure document as Exhibit K, and include the accounts of IDQ and its subsidiaries described in Item 1. The revenues reflect purchases by DQ® and Orange Julius® franchisees.

IDQ and its affiliates receive fees or payments from some third party suppliers that may or may not be reasonably related to services IDQ or its affiliates provide to the suppliers. Some arrangements with third party suppliers require IDQ or its affiliates to perform services, such as administrative, technical, quality assurance, advisory, data collection, customer service, or promotion forecasting services. Presently, IDQ and its affiliates receive fees and payments from third party suppliers ranging from 0% to 10% of each supplier's sales to franchisees or warehouses in the U.S. of the following items which are used in the operation of DQ® restaurants or stores: products, services, ingredients, supplies, equipment, uniforms, signage, fixtures, furnishings, advertising and sales promotion materials. These fees and payments are calculated as a percentage and paid as a percentage or as a flat fee amount. This range, and the amounts listed below, may be adjusted in the future. Also, USCI authorized warehouses pay a fee to USCI of up to 0.5% of their gross sales of product moving through the DQ® system.

IDQ and its affiliates may receive fees and payments from third party suppliers in greater amounts with respect to items not used in the operation of DQ® restaurants or stores, such as items sold under a merchandise licensing program or other similar arrangement. For example, ADQ may grant a license to a manufacturer to allow it to place ADQ's trademarks on sportswear or advertising specialty products.

Although not considered revenue, ADQ and its affiliates received payments in 2024 from third party suppliers that were accounted for as DQ® national or DMA advertising fund receipts totaling approximately \$3,082,197, which includes \$1,337,998 from various third party vendors, and \$1,744,199 from soft drink vendors. As of the date of this disclosure document, ADQ anticipates that ADQ and its affiliates will receive similar amounts from third party suppliers in 2025. These payments may be percentage payments based on sales to franchisees, lump sums, reimbursements, or other similar types of payment. ADQ or its affiliates may also receive payments in connection with conferences hosted by ADQ or its affiliates, or in connection with other unique activities or initiatives, and these funds may, in consultation with the franchisee SCAC, be used in various ways to benefit the DQ® or Orange Julius® systems.

Fee and payment arrangements in foreign countries may be different than arrangements in the U.S.

## **Ownership Interest in Suppliers**

As of December 31, 2024, some ADQ officers own an interest in the following companies that supply products or services to ADQ's franchisees: Ecolab, Verizon Wireless, Coca Cola, Google Analytics/Firebase, Microsoft Azure, CDW Corporation, Clorox Sales Company, Sherwin

Williams, Uber Technologies Inc., US Foods, Wells Fargo, Olo, and Pepsico. As noted in Item 1, ADQ's parent company is IDQ, which is a wholly-owned subsidiary of Berkshire Hathaway, Inc. ("Berkshire"), a holding company owning a large number of subsidiaries engaged in diverse businesses. ADQ officers may own shares of Berkshire, although officers do not own interests in the individual subsidiaries. Depending on Berkshire's portfolio, certain subsidiaries may supply products or services to the DQ® system.

### **Item 9: Franchisee's Obligations**

#### **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 agreement  | Disclosure document item |
|--|---|--------------------------|
| a. Site selection and acquisition/lease                    | Franchise Agreement – Section 2.1, 5.1, 5.6<br>Franchise Application  | Items 5, 7, and 11       |
| b. Pre-opening purchase/leases                             | Franchise Agreement – Section 6.1-6.5, 6.15   | Items 5, 7, 8 and 11     |
| c. Site development and other pre-opening requirements     | Franchise Agreement – Section 2.2, 5.1<br>Design Services Agreement<br>Construction Consultation Services Agreement | Items 5, 7, and 11       |
| d. Initial and ongoing training                            | Franchise Agreement – Section 2.2, 7.1-7.8, 11.3  | Items 5 and 11           |
| e. Opening   | Franchise Agreement – Section 2.2   | Items 5 and 11           |
| f. Fees  | Franchise Agreement – Section 9.1-9.7<br>Franchise Application  | Items 5, 6 and 7         |
| g. Compliance with standards and policies/Operating Manual | Franchise Agreement – Section 6   | Items 11 and 16          |
| h. Trademarks and proprietary information                  | Franchise Agreement – Section 3, 6.3, 6.12  | Items 13 and 14          |
| i. Restrictions on products/services offered               | Franchise Agreement – Section 6   | Items 8, 11 and 16       |
| j. Warranty and customer service requirements              | Not applicable  | Not applicable           |
| k. Territorial development and sales quotas                | Not applicable  | Not Applicable           |
| l. Ongoing product/service purchases                       | Franchise Agreement – Section 6   | Items 8 and 11           |



| Obligation   | Section in agreement                                     | Disclosure document item |
|--|--|--------------------------|
| m. Maintenance, appearance and remodeling requirements | Franchise Agreement – Section 5                          | Items 6 and 11           |
| n. Insurance   | Franchise Agreement – Section 10.3                       | Items 5, 6 and 8         |
| o. Advertising   | Franchise Agreement – Section 8, 9.3                     | Items 5, 6, 7 and 11     |
| p. Indemnification                                     | Franchise Agreement – Section 10.2                       | None                     |
| q. Owner’s participation/management/staffing           | Franchise Agreement – Section 7<br>Franchise Application | Items 11 and 15          |
| r. Records and reports                                 | Franchise Agreement – Section 9.8, 9.9                   | Item 6                   |
| s. Inspections and audits                              | Franchise Agreement – Section 6.8, 9.10                  | Item 6                   |
| t. Transfer  | Franchise Agreement – Section 11                         | Items 6 and 17           |
| u. Renewal   | Franchise Agreement – Section 4.3                        | Item 17                  |
| v. Post-termination obligations                        | Franchise Agreement – Section 14                         | Item 17                  |
| w. Non-competition covenants                           | Franchise Agreement – Section 10.5, 14.6                 | Item 17                  |
| x. Dispute resolution                                  | Franchise Agreement – Section 3.5, 12, 15.8-15.10        | Item 17                  |
| y. Other (describe)                                    | Not Applicable   | Not Applicable           |

### **Item 10: Financing**

Although they may have done so in the past, ADQ and its affiliates generally do not offer financing arrangements or similar assistance to franchisees, except as explained below. Neither ADQ nor its affiliates finance any part of the initial franchise fee.

Neither ADQ nor its affiliates will offer site acquisition, equipment or leasehold financing services to you for the establishment of your franchised business. You must obtain necessary financing through third parties. ADQ periodically arranges with third party finance companies or banks to make financing programs available to franchisees. These arrangements ordinarily involve no more than arranging to put franchisees in contact with sources of financing available. There is no assurance that financing will be offered in any particular instance. If financing is offered, the financial institution independently establishes the amount, terms, interest rate and duration. Neither ADQ nor any of its affiliates receive any payments in exchange for such referrals or the

placement of any financing. It is solely your responsibility to locate and obtain, on whatever terms you can arrange, any required financing for the establishment of your franchised business.

**Item 11: Franchisor's Assistance, Advertising, Computer Systems, and Training**

**Except as listed below, ADQ is not required to provide you with any assistance.**

Pre-opening Assistance. Before you open your store, ADQ will:

1. Provide you with design information or prototypical design intent plans described in Item 7 (design services agreement included as Exhibit F).
2. Advise you in the selection of a contractor for the construction of your store facility, assist you in the negotiation of construction bids and assist you with equipment installation at the appropriate time if you purchase or are otherwise entitled to receive ADQ's construction consultation services, as described in Item 7 (construction consultation services agreement included as Exhibit G).
3. Furnish or make available to you, through the ADQ website or otherwise, confidential lists of approved equipment, signage, fixtures and furnishings (franchise agreement section 6.4(A)).
4. Provide the mandatory training program described later in this Item 11 (franchise agreement section 7.1).
5. Provide on loan to you, a hard copy or electronic or online access to ADQ's system standards and operations manual and resource guides ("Operations Manual") (franchise agreement section 6.11). The Operations Manual is confidential and proprietary and you must keep it confidential as stated in Item 14 of this disclosure document. The tables of contents for ADQ's current Operations Manual is included in this disclosure document as Exhibit H. The current number of pages devoted to each subject is indicated on the tables of contents and the total number of pages in the Operations Manual is 225.

Ongoing Assistance. During the operation of your store, ADQ will:

1. Provide on-site pre-opening and opening assistance (franchise agreement section 2.2) for up to 24 person days.
2. Periodically update the Operations Manual and notify you of any additions or modifications to the Operations Manual (franchise agreement section 6.11).
3. Periodically publish updated lists of approved products, ingredients, services, and equipment to assist you in purchasing approved products (franchise agreement section 6.4).
4. Periodically make available to you, electronically or otherwise, an in-restaurant training program for use in training your employees (franchise agreement section 7.4).
5. Periodically hold or sponsor meetings for you and other franchisees (franchise agreement section 7.7).

6. Establish, organize and prescribe advertising and sales promotion activities (franchise agreement section 8.1).

### **Advertising and Marketing**

ADQ establishes and conducts sales promotion activities generally for the promotion of the DQ® system, brand and products. It also establishes and conducts sales promotion activities primarily for the promotion of the Orange Julius® system, brand and products. ADQ establishes sales promotion activities for the promotion of DQ® Treat stores, and for the promotion of Orange Julius® products, all of which may be entirely different from the activities relating to other DQ® restaurants and stores. ADQ does not have any fiduciary obligations to franchisees with respect to the funds, nor any obligation to spend any amount on sales promotion in the area or territory where you are located, for a particular component or type of DQ® business or for any individual restaurant or store. ADQ has the sole right to determine how the sales promotion program fees will be spent, and the sales promotion program fees are not held by ADQ in trust.

### **Fees**

ADQ's sales promotion activities are funded by the sales promotion program fees you and other DQ® franchisees must pay. Depending on your sales promotion program fee rate, all or a portion of the sales promotion program fees you pay may go to the national marketing fund ("NMF"), and a portion may go to regional or designated [TV] market area ("DMA") level sales promotion activities, "pooled" accounts for the benefit of a certain type of DQ® restaurant or store, or toward activities at an individual store level. ADQ has the right to establish and periodically change how the sales promotion program fees are allocated and spent without notice to you.

You must pay a sales promotion program fee up to 6% of Gross Sales on Orange Julius® branded products and 5% - 6% of Gross Sales on all other products, except as otherwise stated below. At the time of this disclosure document, the sales promotion program fee for Orange Julius® branded products is at 5% for Street locations and 1.25% for Captive-venue locations. ADQ has the right to increase the sales promotion program fee to an amount within the applicable range upon 90 days' notice. If you relocate a store under ADQ's relocation policy, you will be permitted to phase in to the fee structure of the new franchise agreement you sign, using the formula described in Item 6. If you are a conversion franchisee, you must pay a sales promotion program fee as set forth in the applicable conversion addendum in Exhibit C.

Company-operated restaurants will pay a sales promotion program fee on the same basis as similar franchisees for the DMA in which those restaurants are located, as described in Item 6. Other franchisees pay greater, lesser or no sales promotion program fees.

ADQ receives a portion of the sales promotion program fee payments made by franchisees to compensate ADQ for the sales promotion, marketing and administrative services that ADQ provides (the "management fee"). Currently, the management fee is computed as 7% of sales promotion program fee payments received. ADQ does not take a management fee on sales promotion program fees above 3% of gross sales. For those franchisees that pay sales promotion program fees to territory operators, the territory operators remit all or some of those fees to ADQ and territory operators may retain a portion of the management fee, depending on the arrangement

the territory operator has with the franchisee. In addition, ADQ takes 7% of all outside vendor payments received from agreements negotiated by ADQ. As a voluntary corporate contribution, 1/7 of ADQ's total management fees are currently credited on an annual basis to the DQ® national marketing program budget for use as ADQ designates.

### **Sales Promotion Activities**

Sales promotion activities may be national, regional or local in scope. ADQ's marketing department is responsible for the development of the sales promotion activities for all DQ® brands, including system marketing calendars ("SMCs"). The SMCs, and the creative and sales promotion materials created in support of the SMCs, are designed to increase consumer awareness and drive trial of DQ® products and promotions, build the customer base, increase customer visit frequency, and build the DQ® brand overall. The SMCs consist of promotions and events designed to allow the DQ® system, on a market by market or national basis as determined by ADQ, to convey a uniform marketing message. The SMCs are used as the foundation for media plans in the DQ® system. Other sales promotion activities include creative materials, tie-in promotions, new product introductions, and system promotions. ADQ uses various forms of media to promote the DQ® system, brand and products, which may include broadcast or cable television, radio, newspaper inserts, ads in newspaper/shoppers, magazines, billboards, various in-store materials, exterior merchandising, various local restaurant marketing materials, online communication, social media, electronic or mobile media, and new forms of media depending on the objectives. Because you sell a smaller number of DQ® items from your DQ® Treat store compared to some of the other DQ® concepts, such as a DQ Grill & Chill® restaurant, your sales promotion materials will not include all DQ® materials nor may all DQ® promotional activities apply to your DQ® Treat store. ADQ currently uses various national, regional and local advertising and public relations agencies to assist it in the strategic development, production and placement of many of the national and earned media activities and other sales promotion activities.

Currently, ADQ's regional sales promotion activities are carried out based on a DMA concept. A DMA is a geographic area of counties in which consumers within the area view a majority of their TV viewing via the home market stations also within that geographic area. There are currently 210 DMAs in the U.S. The DMA is determined by an independent research and ratings service called Nielsen Media Research which conducts research on consumer TV viewing patterns in each county in the United States. All of the counties (and therefore all of the DQ® restaurants and stores within these counties) that share the same TV influence are grouped into the same DMA. ADQ has the right to discontinue use of the DMA system for determining regional boundaries, or may determine that 2 or more DMAs will be grouped together for purposes of regional sales promotion activities.

ADQ may also spend sales promotion program fees by component or type of DQ® restaurant or store, by local market or DMA market or region, or for concept-specific marketing production, materials and programs and promotions. ADQ has the right to develop specialized marketing pools or programs in the future. Finally, ADQ may also set aside some of the sales promotion program fees paid by individual stores to be spent by those individual stores at the local level, in accordance with a reimbursement program or online credit system. ADQ has the right to determine the allocation of sales promotion program fees, materials and activities as between national, regional, local, or individual store efforts, and this allocation can change with or without notice to you.

You may use only the sales promotion or other advertising materials that ADQ furnishes or makes available to you, or other materials that ADQ approves for use in your sales promotion activities. Examples of sales promotion and other advertising materials that ADQ must approve prior to your use include menu board transparencies, counter mats, counter mat inserts, posters, billboard paper or vinyl, newspaper inserts, lawn signs, banners, menu board or register toppers, window clings, cake freezer merchandising, stanchions/display point-of-purchase, TV and radio creative, online communication, electronic or mobile media, loyalty programs, and direct mail. ADQ will not unreasonably withhold approval of any sales promotion or other advertising materials that you propose to use, as long as your materials are factually accurate, current, in good condition, in good taste, of like quality to and not in conflict with sales promotion and other advertising materials ADQ furnishes or makes available to you, and accurately depict the products and Trademarks. Any social media advertising or mobile marketing you do must comply with ADQ's social media policy. ADQ owns, can use and permit others to use any sales promotion or other advertising materials, ideas, concepts or programs you develop. As of the date of this disclosure document, ADQ does not require you to participate in any formal local or regional advertising cooperative.

### **National Marketing Fund**

ADQ administers national sales promotion activities (including point of purchase materials) through a dedicated NMF. Sales promotion program fees are used at the national level through the NMF to develop and pay for the production of creative and other materials to support the SMCs, and also to fund national media and various other sales promotion activities, including, at ADQ's discretion, consumer loyalty programs, consumer feedback programs, online or mobile ordering or delivery programs, and similar activities at the national level, as well as other activities within the overall DQ® and Orange Julius® systems. The NMFs are funded principally from an allocation of the sales promotion program fees paid by participating restaurants and stores. The percentage allocated to the NMF may vary between restaurants and stores and between markets. ADQ has the right to establish and periodically change the amount of sales promotion program fees that are allocated to an NMF with or without notice to you.

Sales promotion and other advertising and merchandising materials produced by the NMFs are, by design, licensed only to current NMF participating restaurants and stores and may not be transferred to or used in any way by or in non-NMF participating restaurants and stores. This means that if a franchisee owns both participating-NMF and non-participating-NMF restaurants or stores, NMF materials may only be displayed in those restaurants and stores paying the NMF fee.

### **Franchise Advisory Council**

The franchise advisory council ("FAC") advises ADQ on marketing, advertising and other matters, but solely in an advisory capacity. As of the date of this disclosure document, the FAC is comprised of members that are chosen or elected in the following manner: (1) DMA chairpersons (elected by franchisees) from each of ten U.S. regions elect one DMA chairperson to serve as the region's representative on the FAC; (2) the Canadian Franchise Advisory Council ("CFAC"), elected by Canadian franchisees, selects two representatives from the CFAC to represent the east and west regions of Canada; and (3) the Dairy Queen Territory Operator Organization ("DQTOO") or the DQTOO board, elected by territory operators, chooses two territory operator representatives. ADQ

reserves the right to appoint two “at large” franchisee members to the FAC. Further, ADQ reserves the right to form committees that will work with the FAC at any time on any matter. ADQ has the power to form, change, or dissolve the FAC or any of its committees, and has the right to change how franchisee membership on the FAC or any committee is determined.

## Use of Funds

The accounting for the funds used for DQ® national and DMA activities and materials are reviewed by an independent national accounting firm on an annual basis. This “review” consists principally of applying analytical procedures to the financial data and of making inquiries of persons responsible for financial and accounting matters. ADQ currently makes available to DQ® franchisees a copy of the annually prepared statements of contributions, expenditures and balance for the national (NMF), DMA (consolidated) and individual DMA in which your restaurant is located along with the Independent Accountants’ Review Report. In addition, each DMA can request that an audit of its DMA activities be conducted at the expense of that DMA. Orange Julius® sales promotion program fees are accounted for by ADQ on an annual basis and a statement of contributions, expenditures and balance is prepared by ADQ and available for review. ADQ annually convenes a committee from the FAC to conduct their own review of the accounting for the marketing funds applicable to each system.

Use of the combined sales promotion payments from all types of DQ® businesses in the 2024 fiscal year is as follows:

|   |              |   |
|---|--------------|---|
| Percentage spent on Production              | <u>19.7</u>  | % |
| Percentage spent on Media Placement         | <u>66.8</u>  | % |
| Percentage spent on Administrative Expenses | <u>4.3</u>   | % |
| Percentage spent on Other <sup>(1)</sup>    | <u>9.1</u>   | % |
| TOTAL                                       | <u>100.0</u> | % |

- (1) Includes amounts spent on audits, the Children’s Miracle Network, certain point-of-sale items, research and FAC expenses.

The above percentages vary if you calculate the allocations at the individual restaurant level, by area or group of restaurants, or by type of DQ® business.

Use of the payments made to Orange Julius® sales promotion programs in the 2024 fiscal year is as follows:

|   |              |   |
|---|--------------|---|
| Percentage spent on Production              | <u>46.1</u>  | % |
| Percentage spent on Media Placement         | <u>26.2</u>  | % |
| Percentage spent on Administrative Expenses | <u>27.1</u>  | % |
| Percentage spent on Other                   | <u>0.6</u>   | % |
| TOTAL                                       | <u>100.0</u> | % |

Except as described in this paragraph, DQ® and Orange Julius® sales promotion program fees not spent in a fiscal year will be carried over for future use. In addition to its other programs, ADQ has the right to offer a local reimbursement or online credit program to certain franchisees if ADQ determines that the reimbursement is warranted for a particular restaurant or store. The availability of this program for a restaurant or store may be for a variable period of time and a variable amount of money, depending on the individual circumstances. If ADQ establishes such a program for your store, you may request reimbursement (or online credit, depending on the system available) of all eligible types of local media, promotions and promotional items you purchase up to the amount that has been determined by ADQ for your store. Unreimbursed funds at the end of the applicable period will not be carried over for future use by the particular restaurant, but will be used for other sales promotion activities in the DQ® and Orange Julius® systems, as determined by ADQ.

DQ® sales promotion program fees are not used for advertising principally directed at the sale of franchises.

### **Electronic Cash Registers; Computer Systems**

You must purchase, install and maintain an electronic point-of-sale (“EPOS”) system at your store, as designated by ADQ. The EPOS system includes designated hardware, software, peripherals, a managed firewall and installation. If you are opening a new restaurant, you must purchase all of the components of the EPOS system from ADQ’s designated vendors (see Item 8). The estimated initial cost to purchase the EPOS system hardware and installation from ADQ’s designated supplier ParTech, Inc., and hardware for the Acumera managed firewall will range from \$20,800 to \$25,700.

The EPOS system is an electronic cash and credit management system, which provides an interface for processing customer orders, collecting and managing information about the nature of sales transactions, and providing financial records of those transactions. The optional backoffice software provides certain reports, product inventory management, and time and attendance functionality for your employees. The EPOS system will collect and report to ADQ a variety of information including overall sales, sales levels by item, item menu pricing, product movement statistics, individual unit and category sales data (including by flavor and size), various financial information to prepare store reports, and other information.

Neither ADQ nor any affiliate is obligated to provide ongoing maintenance, repairs, upgrades or updates to you. You are required to purchase from ADQ’s designated vendor and pay for ongoing hardware warranty services for your EPOS system for \$46 to \$118 a month depending on the warranty package you choose. In addition, as part of the ongoing software fees you will pay to some of the designated vendors, the vendors are obligated to provide certain maintenance and repair services for their software. You are required to make periodic upgrades and updates to the

EPOS system, and there are no contractual limitations on the frequency and cost of this requirement.

In addition to the initial costs for the EPOS system, there are required monthly service fees for the ParBrink, Olo and Punchh software for the EPOS system and mobile app ranging from \$370 to \$413 a month. You also must pay Olo a per transaction fee of 0.25% for each order processed by Olo. Help desk and software support costs are included in this monthly fee. Copies of the participation agreements that you must sign with these vendors are included in this disclosure document as Exhibit E.

To enable ADQ's access to your EPOS system, you must install one DSL or cable/broadband internet connection, or other necessary communication access device, that is exclusively designated and permanently connected to your EPOS system. There are no contractual limitations on ADQ's right to access the information generated by your EPOS system, although ADQ may choose not to poll information from all restaurants and stores. You must have access at all times to the internet, and must maintain and regularly use an active email account or other form of electronic communication that ADQ designates and keep ADQ informed of your contact information.

You must purchase and maintain a monthly subscription service for credit card processing, which includes the TransArmor solution encryption, from ADQ's designated provider Fiserv (formerly, First Data) and you must sign the merchant processing application and agreement included in this disclosure document as Exhibit F. The cost for the credit card processing services is approximately 2% - 5% of the total amount of each sale made using an approved credit card and the cost for the TransArmor Solution is \$19.95 per month. You must also purchase and pay for Verifone payment card data encryption services at a cost of approximately \$10 per terminal per month and Verifone payment device warranty at a cost of approximately \$80 per device for a 3 year warranty. You must also purchase and maintain a managed firewall service from ADQ's designated provider Acumera. The cost for these services is approximately \$51 per month. Also, you must comply with the Payment Card Industry (PCI) Data Security Standards: <https://www.pcisecuritystandards.org/>. While you are not required to hire a third party contractor to ensure compliance with the PCI Data Security Standards (unless otherwise required to do so by your card processor), ADQ recommends you do so and estimates the initial cost of this to be \$200 - \$2,000, with an ongoing monthly fee of up to \$100.

You are required to participate in the system-wide gift card program administered by ValueLink, LLC and DQGC, and must sign the gift card participation agreement included in this disclosure document as Exhibit E. Gift card program fees are allocated based on a shared cost model between franchisees and the NMF. Currently, franchises pay fees equaling 3% of total gift card redemptions, which ADQ estimates will be about \$200 per year per location. NMF covers the balance of the gift card program's costs. In the future, the percentage allocation of costs between franchisees and NMF may change. These costs are in addition to any costs incurred by you in purchasing gift cards.

All of the fees referenced in this section are to subject to change from time to time.



## **Site Selection and Development Time**

You must locate and obtain a site that meets ADQ's standards and criteria and that is acceptable to ADQ within 90 days after the date ADQ approves your franchise application. The general site selection and evaluation criteria you should consider include the quality of the trade area and the strategic fit of the site within the trade area, residential and daytime employment, attributes of the trade area that generate potential traffic and traffic patterns, ease of ingress and egress, pedestrian access and convenience, physical attractiveness of the host building or real estate, end-cap with drive-thru capability on shopping centers and fuel centers, demographic information and consumer behavior information, competition, signage, site and building design requirements or restrictions, local marketing support and similar factors. You must obtain ADQ's approval of the building plans and location prior to commencing construction of the store. In certain circumstances, ADQ may identify a site and may assist in purchase or lease negotiations. You are under no obligation to accept the proposed site. ADQ's identification of, or consent to, a site does not constitute a guarantee, recommendation, assurance or endorsement as to the success of the site or your store. ADQ's consent indicates only that ADQ believes that the particular site falls within its criteria as of the time period encompassing the evaluation. Application of site criteria that have been effective for other sites does not predict the potential success of any specific site.

From the time you submit a site to ADQ for consideration, ADQ will generally respond within 60 days, or less, depending on the status of negotiations to secure the site, the level of ADQ's involvement in the identification of the site, and other factors. If you and ADQ are unable to agree to a site within 90 days of ADQ's approval of your franchise application, ADQ has the right to retract the application approval and to refund your initial franchise fee less the non-refundable deposit of \$10,000.

The typical length of time between ADQ's acceptance of the franchise agreement and the opening of your business varies from 4 to 8 months. This period can be longer or shorter depending upon the time of year, availability of and securing financing, preparation of full building plans for permitting, municipality approval process, how quickly your site is identified and secured, development stage of the shopping center or mall, local construction delays, how soon your managers are selected and attend training, or other factors. You should not expend funds or make any other commitment in connection with the franchise and should not resign from employment, relocate or take any similar action until ADQ's final acceptance of your application and written approval of the franchise.

## **Training**

There are currently three required components to training: (1) the MTRA; (2) SERVSAFE certification; and (3) ADQ's training program, which is made up of 3 phases. The following individuals must pass the MTRA, obtain SERVSAFE certification and successfully attend ADQ's training program (as defined in Item 15 and referred to as "required attendees"): your designated manager and one assistant manager if you are developing your first DQ® Treat store, or your designated manager if you are an ARD franchisee.

ADQ's training program is summarized in the tables below, and ADQ has the right to periodically alter the training program.

## TRAINING PROGRAM

| Subject <sup>(3)</sup>   | Hours of Classroom Training | Hours of On-The-Job Training | Location <sup>(4)</sup>  |
|--|-----------------------------|------------------------------|--|
| <b>Product &amp; Equipment and Service, Management, and Financial Basics Training (Phases 1 and 2)<sup>(1)</sup></b> |                             |                              |  |
| Store Operations (product preparation, equipment, shift positions work experience)                                   | 0                           | 32                           | At a DQ® location  |
| Customer Service   | 0                           | 2                            |  |
| Store Operations (shift positions, managing shifts, management function modules)                                     | 0                           | 92                           |  |
| Sanitation   | 0                           | 2                            |  |
| Safety   | 0                           | 2                            |  |
| Marketing  | 0                           | 2                            |  |
| Financial Management (cash management, recordkeeping)  | 0                           | 2                            |  |
| Register/Back Office System  | 0                           | 8                            |  |
| <b>People, PRIDE and Profit Training (Phase 3)<sup>(2)</sup></b>   |                             |                              |  |
| Facility Management (service profit chain, DQ Capability Model function)   | 3                           | 0                            | Classroom in Minneapolis, MN, or other location ADQ designates |
| Human Resource Management (training, supervising, retaining, coaching, evaluating)                                   | 7                           | 0                            |  |
| Customer Service/PRIDE/Speed of Service/Local Marketing  | 4                           | 0                            |  |
| Situational Leadership   | 8                           | 0                            |  |
| Goals/Change Management/ Time Management   | 4                           | 0                            |  |
| Financial Management (cost of goods sold, recordkeeping, labor cash management, controllables)                       | 6                           | 0                            |  |
| Total:   | 32                          | 142                          |  |

(1) Product & Equipment and Service, Management, and Financial Basics Training (phases 1 and 2) is scheduled as close to the projected date of your opening as is reasonably possible, must be completed within 6 months prior to your opening, and lasts about 2 1/2 weeks. For ARD locations, if a training attendee has at least 12 months prior experience as a manager of another DQ® restaurant or store, that individual may be given the opportunity to test out of some or all of phase 1 and phase 2; see Item 7 for costs.

(2) People, PRIDE and Profit Training (phase 3) lasts 4 days and must be completed before opening.

(3) The instructional materials used are reference material packets, workbooks, hands-on demonstrations and practice in the training location, reviews, lectures, exams, classroom discussion, product knowledge tests, and skill assessments. Phases 1 and 2 are taught by restaurant training specialists, and phase 3 is taught by a field training consultant. Students are required to bring a laptop computer or tablet capable with internet access to in-store training.

- (4) Phases 1 and 2 occur in DQ® locations certified and designated by ADQ and owned by either franchisees or ADQ's affiliates. Phase 3 occurs in ADQ's franchisee support center or another location designated by ADQ. ADQ may, but is not required to, conduct phase 3 training online or virtually if circumstances warrant.

Your required attendees must successfully complete each phase of ADQ's training program to ADQ's satisfaction. ADQ will evaluate your required attendees based on attendance, participation, presentations, progress in the training program, leadership, and other similar factors. Attendees who fail to fulfill these standards, or who violate ADQ's code of conduct for the training program, may be prohibited from completing ADQ's training program. You will not be allowed to open and operate your store until all required attendees complete all required training components.

Angie Ballinger oversees all of ADQ's training programs and has done so in her capacity as Vice President, Restaurant Training & Curriculum since April 2024. As of the date of this disclosure document, in addition to Ms. Ballinger, ADQ's training department consists of a Director of Training and 7 field training consultants, who have experience ranging from 8 to 40 years, and 20-40 restaurant training specialists who may be employed by ADQ or a franchisee. Although experience varies among restaurant training specialists, all are required to successfully complete ADQ's certified trainer training program.

Prior to attending ADQ's training program, your required trainees must pass the MTRA, which is administered by a third party at a location designated by ADQ. The MTRA measures leadership, customer service, decision-making, prioritizing and business math, and may be modified by ADQ at any time. If a trainee fails the MTRA, the test may be repeated after 30 days; if the trainee fails the MTRA on the second attempt, the test may be repeated after one year. No trainee may repeat the MTRA more than three times. Your required attendees must also have current SERVSAFE certification, which will only be recognized by ADQ if received through a course that is part of or equivalent to the National Restaurant Association's SERVSAFE program. SERVSAFE courses are offered online, and at various universities, vocational schools and community colleges.

You must pay for ADQ's training program (either through the initial franchise fee or otherwise, depending on your circumstances) prior to sending any attendees. You are responsible for paying any training fees, costs, travel, living expenses, salaries, benefits and other expenses associated with sending your attendees to ADQ's training program, the MTRA, and a SERVSAFE course; see Item 7 for a cost estimate.

If you are relocating a restaurant under ADQ's relocation policy, you must comply with the then-current training requirements and pay all related costs and fees. What, if any, aspects of training your required attendees must complete will depend on your individual circumstances.

If you receive a default notice and the default relates, in whole or in part, to your failure to meet any operational standards, ADQ has the right to require you to comply with ADQ's additional training requirements at your expense and at the then-current training fees as a condition of curing the default.

The franchisee's controlling owner (as defined in the franchise agreement) must, at your expense, attend all meetings ADQ holds or sponsors in your area or region including all DMA or other marketing area meetings, and all meetings relating to new products or product preparation

procedures, new DQ® system programs, new operational procedures or programs, training, store management, financial management, sales or sales promotion, or similar topics.

## **Item 12: Territory**

### **Rights under Franchise Agreement**

When you enter into a franchise agreement, you are granted the right to operate a single store at an authorized location that ADQ has consented to in writing. You are not granted any minimum area or territory. If you must relocate because the franchised premises are condemned, exercise of a relocation right by your landlord, or some other reason that ADQ approves, you may relocate on the following conditions: (1) the new location must be acceptable to ADQ, reasonably suited for a DQ® Treat location, consistent with ADQ's site selection guidelines, and within the same building or venue as the authorized location if a Captive-venue location, or within a 500 meter radius of the authorized location if a Street location; (2) the new site must not infringe on the rights of any other DQ® franchisee; (3) the new store must be under construction within 30 days if a Captive-venue location or 180 days if a Street location; (4) after construction commences, the new store must be open and operating within 90 days if a Captive-venue location or 120 days if a Street location; and (5) the new store must be constructed and equipped in accordance with ADQ's then current standards and specifications.

ADQ has a relocation policy that permits qualifying franchisees with a Street location that sign a new franchise agreement and the relocation addendum to relocate a store within two miles of the current store location, provided the location is of the same type. For instance, a Street location outside of a mall cannot relocate within a mall. The timeframes detailed in the paragraph above apply to this relocation policy. Relocating franchisees do not need to pay an initial franchise fee, although relocating franchisees must meet the then-current training requirements (including payment of any fees and/or costs) and must purchase construction consultation services and prototype building plans (if the location is freestanding). See Item 7 for more information on these costs. Relocating franchisees may pay reduced continuing license fees and sales promotion program fees, depending on the circumstances. See Item 6 for more information. The relocation policy is subject to ADQ's prior written consent and the other relocation standards contained in the franchise agreement and any applicable lease (see Item 9). The relocation policy does not apply to non-system food or Captive-venue locations.

You do not have any options, rights of first refusal or similar rights to acquire additional franchises.

ADQ does not grant exclusive territories to any franchisee under the terms of a franchise agreement. In the past, ADQ did grant franchise agreements with protected territories, including territory operator agreements, which allow territory operators to operate restaurants and stores for their own account and to subfranchise third parties to operate restaurants and stores within their territories. You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that ADQ owns, or from other channels of distribution or competitive brands that ADQ controls. Consider carefully the implications of a site-only franchise, and review closely the section below regarding ADQ's and its affiliates' rights.

## ADQ's and its Affiliates' Rights

ADQ and its affiliates have the right to operate and grant others the right to operate competing business under the Trademarks, any affiliate's trademarks, or any other trademarks at any location but your store's authorized location. These locations may include freestanding buildings and facilities, strip centers, shopping malls, and other similar locations. These locations also may include transportation terminals, sports facilities, recreation areas, hotels, hospitals, campus facilities, and other non-traditional locations. You do not have any right to exclude, control or impose conditions on the location or development of future restaurants or stores franchised by others or owned and operated by ADQ or its affiliates.

ADQ and its affiliates also have the right to sell or distribute, themselves or through designees, products and services through any distribution channels or methods, including the internet (or any other existing or future form of electronic commerce such as social media, mobile applications, third party platforms and the metaverse), catalog sales, telemarketing or other direct marketing and pre-packaged retail sales using the Trademarks, or any other trademarks, service marks, trade names and commercial symbols, without any compensation to franchisees.

There are no territorial or customer restrictions on your sales from your store, and you are not required to compensate other franchisees, nor are you entitled to receive compensation from other franchisees or ADQ based on sales from a restaurant or store. You are not, however, granted any right under any franchise agreement to sell products and menu items identified by the Trademarks, or any of ADQ's affiliates' trademarks, or any other trademarks: (1) at any location other than your store; or (2) through resale or any other channels or methods of distribution, including the internet (or any other existing or future form of electronic commerce such as social media, mobile applications, third party platforms and the metaverse), catalog sales, telemarketing or other direct marketing and pre-packaged retail sales, except as ADQ may authorize or require in writing for all or part of the franchise system.

As described in Item 1, ADQ and its affiliates offer franchises under different trademarks that sell some, but not all, products similar to those you will offer in your DQ® Treat store.

- **DQ Grill & Chill®.** ADQ offers single and multiple unit franchises under the DQ Grill & Chill® trademarks, which sell substantially the same soft-serve and treat products, but with a full food menu containing certain similar food products.
- **Texas DQ® Restaurant.** ADQ offers single and multiple unit DQ® restaurant franchises in Texas under the DQ® trademark, which sell substantially the same soft-serve and treat products, but not the same food products.

Neither ADQ nor its affiliates own or operate any DQ® Treat stores, Texas DQ® restaurants, or Orange Julius® stores. ADQ's affiliate, DQTR, owns and operates DQ Grill & Chill® restaurants, as described in Item 1. The DQ Grill & Chill®, DQ® Treat, Texas DQ® restaurant, and Orange Julius® franchises are all site-only franchises with no territory rights granted to franchisees (although certain multiple unit DQ Grill & Chill®, DQ® Treat or Texas DQ® restaurant franchisees may have a development or trade area under a multi-unit agreement). However, there are no territorial or customer restrictions on these franchisees' sales from their stores or restaurants.



The principal business address for ADQ is 8000 Tower, Suite 700, 8331 Norman Center Drive, Bloomington, MN 55437, and the companies have their combined training facilities and offices at that address.

ADQ occasionally is called upon to decide whether to grant a license for a new restaurant or store (whether under the DQ®, Dairy Queen®, or a different ADQ or affiliate trademark, as described above) in proximity to an existing store or restaurant. ADQ makes no commitment that ADQ will not establish new restaurants or stores in proximity to existing stores or restaurants. Nevertheless, there may be circumstances under which ADQ, acting within its exclusive and absolute right, may choose not to establish a new restaurant or store in proximity to an existing restaurant, as a means to resolve conflicts between franchisor and franchisee and the franchisees of each system and within each system.

As mentioned above, territory operators have the right to operate restaurants and stores for their own account and to subfranchise third parties to operate restaurants and stores within their territories. Territory operators may or may not have their own development and site clearance programs. Further, it is important to note that territory operators are not obligated to follow ADQ factors or guidelines when granting a license to operate a restaurant or store in close proximity to existing DQ® restaurants or stores.

### **Item 13: Trademarks**

The franchise agreement licenses you to use certain DQ®, Dairy Queen® and other ADQ trademarks (the “Trademarks”). Listed below are the principal Trademarks, which are registered with the United States Patent and Trademark Office. ADQ also claims common law trademark rights for all of the Trademarks. ADQ has filed or intends to file all required affidavits and renewals for the trademarks listed below.

| <b>Principal Trademarks</b>   | <b>U.S. Reg. No.</b> | <b>Principal/ Supplemental Register</b> | <b>Date of Registration</b> |
|---|----------------------|---|-----------------------------|
| DAIRY QUEEN   | 0728894              | Principal                               | 03/20/62                    |
| DQ  | 3211469              | Principal                               | 02/20/07                    |
|  | 3046169              | Principal                               | 01/17/06                    |
| ORANGE JULIUS   | 3247123              | Principal                               | 05/29/07                    |
|  | 3624481              | Principal                               | 05/19/09                    |

ADQ identifies the Trademarks that you are licensed to use in the Operations Manual or otherwise in writing. ADQ has the right to change the Trademarks you are licensed to use periodically through changes to the Operations Manual, or otherwise in writing, any of which may be communicated electronically. Your use of the Trademarks and any goodwill is to ADQ’s exclusive benefit and you retain no rights in the Trademarks other than a license to use the Trademarks during the term of your franchise agreement. You retain no rights in the Trademarks upon termination of

your franchise agreement. You are not permitted to make any changes or substitutions of any kind in or to the use of the Trademarks unless ADQ directs in writing.

There are currently no effective material determinations by the United States Patent and Trademark Office, the Trademark Trial and Appeal Board, or any state trademark administrator or court, nor any pending infringement, opposition or cancellation proceeding. There is no pending material federal or state court litigation regarding ADQ's use or ownership rights in the Trademarks. There are currently no effective agreements that significantly limit ADQ's rights to use or license the use of the Trademarks in a manner material to the franchise. ADQ does not know of either superior prior rights or infringing uses that could materially affect your use of the principal trademarks in the state where your franchised business will be located.

ADQ is not obligated to protect your right to use the Trademarks, or to protect you against infringement or unfair competition claims arising out of your use of the Trademarks, or to participate in your defense or indemnify you. ADQ has the right to control any litigation related to the Trademarks and the right to decide to pursue or settle any infringement actions related to the Trademarks. You must notify ADQ promptly of any infringement or unauthorized use of the Trademarks of which you become aware and cooperate with any action that ADQ undertakes; however, ADQ is not required by the franchise agreement to take affirmative action when notified of such uses. If ADQ determines that a claim by a party that its rights to use the Trademarks are superior and requires changes or substitutions to the Trademarks, you must immediately make the changes or substitutions required by ADQ at your expense. You do not have any rights under the franchise agreement if ADQ requires you to modify or discontinue using a trademark.

#### **Item 14: Patents, Copyrights, and Proprietary Information**

There are no patents or copyrights currently registered or pending patent applications that are material to the franchise offered, although ADQ claims copyright ownership and protection for the franchise agreement and other franchise related agreements, the Operations Manual, and for various sales promotional and other materials published.

There are no current material determinations of the United States Copyright Office, the United States Patent and Trademark Office, or a court regarding the patent or copyright, nor any material proceeding pending in the United States Patent and Trademark Office or any court. There are currently no agreements in effect that limit the use of any patents or copyrights in a manner affecting you. ADQ knows of no patent or copyright infringement that could materially affect you.

ADQ is not obligated to protect you against infringement or unfair competition claims arising out of your use of any patents or copyrights, or to participate in your defense or indemnify you. ADQ has the right to control any litigation related to any patents and copyrights and the right to decide to pursue or settle any infringement actions related to the patents or copyrights. You must notify ADQ promptly of any infringement or unauthorized use of the patents and copyrights of which you become aware and cooperate with any action that ADQ undertakes; however, ADQ is not required by the franchise agreement to take affirmative action when notified of such uses. You do not have any rights under the franchise agreement if ADQ requires you to modify or discontinue using any subject matter covered by a patent or copyright.

You must keep all proprietary information confidential during and after the term of the franchise agreement, including the Operations Manual and product preparation materials. You must not duplicate or disseminate any proprietary information to any party other than, your employees who need to know such proprietary information, and you must comply with all changes to the Operations Manual at your cost. Upon termination of your franchise agreement, you must return all proprietary information to ADQ, including all copies of the Operations Manual and the product preparation materials then in your possession or control or previously disseminated to your employees, and all other copyright material. You must notify ADQ immediately if you learn about an unauthorized use of proprietary information, although ADQ is not required by the franchise agreement to take any action and has the right to determine the appropriate response to any unauthorized use of proprietary information.

### **Item 15: Obligation to Participate in the Actual Operation of the Franchise Business**

You are required to operate your DQ® Treat franchise under your active and continuous supervision. If the franchisee is a business entity, the franchisee is required to have one owner who is responsible for overseeing the general management of the day-to-day operations of the location. If you are developing your first DQ® Treat location, you must have one designated manager and one assistant manager (ARD franchisees only need a designated manager) who have completed ADQ's training requirements in Item 11. Designated and assistant managers must personally invest their full time and attention and devote their best efforts to the on-premises general management of the day-to-day operations of the location, and meet ADQ's store or retail management experience requirements. Designated and assistant managers may not participate in the active operation or management of any other business.

You must ensure that any designated or assistant managers with access to confidential information (as defined in the franchise agreement) abide by the confidentiality obligations in the franchise agreement. Also, a designated manager cannot directly or indirectly operate, permit to be operated, or hold any interest in a competitive business.

If the franchisee will be a business entity, all of its owners must sign the personal undertaking and guarantee attached to the franchise agreement. You must identify your owners in the Ownership Addendum and notify ADQ in writing of any change in the owners.

### **Item 16: Restrictions on What the Franchisee May Sell**

ADQ requires you to offer and sell only those goods and services that ADQ has approved (see Items 8 and 9). In addition, you may offer and sell these approved goods and services only from your store (see Item 12). Any failure to comply with these requirements or to meet product quality standards may result in termination of your franchise agreement (see Item 17).

You must carry the required menu items that ADQ designates for your business. If you are a conversion franchisee, you must cease selling any non-system food items. ADQ has the right to determine the authorized menu for your store, based upon ADQ's evaluation of various factors, including customs or circumstances of a particular site or location, density of population, population of trade area, existing business practices, lease restrictions, and any other condition that ADQ deems to be of importance to the operation of your business or to the DQ® system. There



are no limits on ADQ's right to make modifications to the approved menu and ingredients periodically through the Operations Manual, system bulletin or otherwise in writing, any of which may be communicated electronically. To the fullest extent the law allows, ADQ may require you to offer items on the menu at the maximum, minimum, or other prices that ADQ specifies. In order to carry certain optional menu items as approved by ADQ, ADQ has the right to require you to attend specialized training and/or purchase additional equipment. You might have to pledge additional funds to be used for advertising the optional products in your trade area. Other stores may carry different menu items than you carry in your store.

You must not sell, offer for sale or otherwise handle alcoholic or intoxicating beverages or controlled substances upon the store premises. You must not have or use, or permit the presence or use of, ATM, video game machines or vending machines or any like coin-operated or electronic device or machine upon the store premises. In addition, you must not offer, sell, use or participate in, any lottery or gambling device of any nature at or from the store premises. Your store must be smoke-free for all customers and employees, and you must post signs on all doors and throughout the store that announce the smoke-free policy.

### **Item 17: Renewal, Termination, Transfer, and Dispute Resolution**

#### **THE FRANCHISE RELATIONSHIP**

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

| Provision                           | Section in franchise agreement | Summary   |
|-------------------------------------|--------------------------------|---|
| a. Length of the franchise term     | Section 4.1                    | 15 years, if for a new restaurant franchise;<br><br>The lesser of 15 years or the remaining term of the transferring licensee's franchise agreement, if the agreement is signed as a requirement of a transfer; or<br><br>The renewal term specified in the expiring franchise agreement, if the agreement is signed as a requirement of a renewal. |
| b. Renewal or extension of the term | Section 4.3                    | Renewal for one additional term for the shorter of 15 years or the remaining term of the lease.   |

| Provision   | Section in franchise agreement                     | Summary  |
|---|--|--|
| c. Requirements for franchisee to renew or extend | Section 4.3<br><br>Renewal Addendum                | Give written notice of intent to renew; sign then-current form of franchise agreement, which may differ materially, including higher or additional fees; comply with modernization provisions in section 5.5; in good standing with no history of substantial noncompliance; have right to remain in possession of the restaurant premises throughout renewal period; pay renewal fee; sign a release; renewal restaurant location approved.<br><br>If renewing a franchise agreement dated before April 2007 with a 6% continuing license fee and a requirement to modernize, you must sign the renewal addendum and remain at 6% until the modernization is complete, when the fee will go down to 5%. |
| d. Termination by franchisee                      | Section 13.3                                       | You may terminate the franchise agreement for a material breach after giving written notice and failure to cure within 30 days. Termination is effective 60 days after written notice.   |
| e. Termination by franchisor without cause        | Not applicable                                     | Not applicable.  |
| f. Termination by franchisor with cause           | Section 13.2                                       | If you default.  |
| g. "Cause" defined - curable defaults             | Section 13.1<br>Section 13.2(A)<br>Section 13.2(B) | Twenty-four hours to cure a default that materially impairs the goodwill of the trademarks, or that is a threat or danger to public health or safety.<br><br>Ten days to cure any default for failure to timely provide required reports or pay amounts due.<br><br>Thirty days to cure any default except those listed above or in "h" below.   |

| Provision   | Section in franchise agreement  | Summary   |
|---|---------------------------------|---|
| h. “Cause” defined - non-curable defaults                               | Section 13.1<br>Section 13.2(C) | Lose right to occupy premises; failure to reopen after restaurant is destroyed or damaged; failure to reopen after relocation; abandonment; insolvency; conviction of an offense related to restaurant; intentionally understating or underreporting amounts due; third default within 12 months; you are named a specially designated national or blocked person as designated by the United States Department of the Treasury’s Office of Foreign Assets Control.             |
| i. Franchisee’s obligations on termination/non-renewal                  | Section 13.2(D)<br>Section 14   | Stop using trademarks; pay amounts due; comply with noncompete; maintain confidentiality; pay termination fee.  |
| j. Assignment of contract by franchisor                                 | Section 11.6                    | No restriction on right to assign.  |
| k. “Transfer” by franchisee - defined                                   | Section 11.2                    | Includes a transfer of the restaurant, any restaurant assets or revenues, a direct or indirect ownership interest in the franchise agreement or restaurant, or a management agreement.  |
| l. Franchisor approval of transfer by franchisee                        | Section 11.1<br>Section 11.4    | All transfers must have consent, which will not be unreasonably withheld if all transfer requirements are met.  |
| m. Conditions for franchisor approval of transfer                       | Section 11.3                    | Transferee meets requirements; pay transfer fee; amounts owed paid; compliance with franchise agreement; all owners of transferee sign guarantee; you sign a release; training requirements met; transferee signs then current franchise agreement, which may have materially different terms, including higher or additional fees; facility improvements and modernization completed; you agree to observe post-termination obligations; other conditions reasonably required. |
| n. Franchisor’s right of first refusal to acquire franchisee’s business | Section 11.3(B)                 | Can match an offer to purchase the franchise agreement, restaurant, franchisee, or an owner, unless the proposed transfer results from insolvency or bankruptcy, then an appraiser will set the purchase price.   |
| o. Franchisor’s option to purchase franchisee’s business                | Section 14.5                    | Upon termination or expiration, franchisor may purchase or designate a third party to purchase the restaurant assets. An appraiser will determine the price.  |

| Provision   | Section in franchise agreement              | Summary  |
|---|---|--|
| p. Death or disability of franchisee                                      | Section 11.2                                | Must comply with all transfer requirements.  |
| q. Non-competition covenants during the term of the franchise             | Section 10.5                                | No direct or indirect involvement in the operation of any quick service restaurant that serves hamburgers but does not serve alcohol, or a business that generates more than 10% of its revenue from sales of ice cream, yogurt, frozen custard, fruit-based beverages, soft-serve or other frozen treats (“Competitive Business”).                                    |
| r. Non-competition covenants after the franchise is terminated or expires | Section 14.6                                | No direct or indirect involvement in a Competitive Business within: 500 meters of the authorized location for one year after termination or expiration for Street location; or within same building or venue for Captive-venue location.   |
| s. Modification of the agreement  | Section 6.1<br>Section 6.11<br>Section 15.4 | Modifications must be signed by both parties, but franchisor has right to change the menu, Operations Manual, and trademarks.  |
| t. Integration/merger clause  | Section 15.2                                | The franchise agreement, together with its addenda, and your franchise application are the sole agreement between the parties (subject to state law). However, nothing in those documents is intended to disclaim the representations made in this franchise disclosure document. Any representations or promises made outside these documents may not be enforceable. |
| u. Dispute resolution by arbitration or mediation                         | Section 12                                  | Except for certain claims, all disputes must be arbitrated in Minneapolis, Minnesota or at another mutually agreeable place (subject to state law).  |
| v. Choice of forum  | Section 15.9                                | Litigation must be in the Federal District Court for the District of Minnesota or in Hennepin County District Court, Fourth Judicial District, Minneapolis, Minnesota (subject to state law).  |
| w. Choice of law  | Section 15.8                                | Applicable law is that of the state where authorized location is.  |

### **Item 18: Public Figures**

ADQ does not use any public figure to promote the franchise. No public figure is involved in the actual management or control of ADQ.

### **Item 19: Financial Performance Representations**

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the disclosure document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet 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.

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections about your future income, you should report it to the franchisor's management by contacting Shelly H. O'Callaghan at 8000 Tower, Suite 700, 8331 Norman Center Drive, Bloomington, MN 55437 or by telephone at (952) 830-0308, the Federal Trade Commission, and the appropriate state regulatory agencies.

### **Item 20: Outlets and Franchisee Information**

Included in this Item are tables for the following concepts: direct-licensed and subfranchised DQ® Treat, DQ® soft-serve only, and Dairy Queen®/Limited Brazier® stores.

#### **Dairy Queen®/Limited Brazier®, DQ® Treat & DQ® Soft-Serve Only Direct-Licensed Outlets Systemwide Outlet Summary For Years 2022 to 2024<sup>(1)</sup>**

| Outlet Type   | Year | Outlets at the Start of the Year | Outlets at the End of the Year | Net Change |
|---------------|------|----------------------------------|--------------------------------|------------|
| Franchised    | 2022 | 828                              | 789                            | -39        |
|               | 2023 | 789                              | 751                            | -38        |
|               | 2024 | 751                              | 727                            | -24        |
| Company-Owned | 2022 | 0                                | 0                              | 0          |
|               | 2023 | 0                                | 0                              | 0          |
|               | 2024 | 0                                | 0                              | 0          |
| Total Outlets | 2022 | 828                              | 789                            | -39        |
|               | 2023 | 789                              | 751                            | -38        |
|               | 2024 | 751                              | 727                            | -24        |

- (1) The totals include DQ® Treat, Dairy Queen®/Limited Brazier® and Dairy Queen® soft-serve only locations, which may have non-system food. The totals do not include subfranchised outlets operating under agreements with territory operators or outlets for any other franchise programs described in Item 1.

**Dairy Queen®/Limited Brazier®, DQ® Treat & DQ® Soft-Serve Only Direct-Licensed Outlets  
Transfer of Outlets from Franchisees to New Owners (other than the Franchisor)  
For Years 2022 to 2024**

| State         | Year | Number of Transfers |
|---------------|------|---------------------|
| Arizona       | 2022 | 0                   |
|               | 2023 | 1                   |
|               | 2024 | 0                   |
| California    | 2022 | 3                   |
|               | 2023 | 2                   |
|               | 2024 | 3                   |
| Colorado      | 2022 | 7                   |
|               | 2023 | 3                   |
|               | 2024 | 2                   |
| Connecticut   | 2022 | 2                   |
|               | 2023 | 1                   |
|               | 2024 | 3                   |
| Florida       | 2022 | 5                   |
|               | 2023 | 4                   |
|               | 2024 | 6                   |
| Illinois      | 2022 | 2                   |
|               | 2023 | 3                   |
|               | 2024 | 1                   |
| Indiana       | 2022 | 2                   |
|               | 2023 | 6                   |
|               | 2024 | 3                   |
| Iowa          | 2022 | 2                   |
|               | 2023 | 0                   |
|               | 2024 | 1                   |
| Kansas        | 2022 | 0                   |
|               | 2023 | 0                   |
|               | 2024 | 1                   |
| Maine         | 2022 | 0                   |
|               | 2023 | 0                   |
|               | 2024 | 2                   |
| Maryland      | 2022 | 0                   |
|               | 2023 | 1                   |
|               | 2024 | 1                   |
| Massachusetts | 2022 | 0                   |
|               | 2023 | 2                   |
|               | 2024 | 1                   |
| Michigan      | 2022 | 2                   |
|               | 2023 | 4                   |
|               | 2024 | 5                   |
| Minnesota     | 2022 | 2                   |
|               | 2023 | 1                   |
|               | 2024 | 6                   |

| State          | Year | Number of Transfers |
|----------------|------|---------------------|
| Missouri       | 2022 | 1                   |
|                | 2023 | 0                   |
|                | 2024 | 0                   |
| Nevada         | 2022 | 0                   |
|                | 2023 | 0                   |
|                | 2024 | 1                   |
| New Hampshire  | 2022 | 2                   |
|                | 2023 | 0                   |
|                | 2024 | 1                   |
| New Mexico     | 2022 | 1                   |
|                | 2023 | 1                   |
|                | 2024 | 0                   |
| New York       | 2022 | 2                   |
|                | 2023 | 2                   |
|                | 2024 | 0                   |
| North Carolina | 2022 | 2                   |
|                | 2023 | 0                   |
|                | 2024 | 0                   |
| Ohio           | 2022 | 0                   |
|                | 2023 | 0                   |
|                | 2024 | 6                   |
| Oklahoma       | 2022 | 1                   |
|                | 2023 | 0                   |
|                | 2024 | 0                   |
| Pennsylvania   | 2022 | 4                   |
|                | 2023 | 2                   |
|                | 2024 | 2                   |
| West Virginia  | 2022 | 0                   |
|                | 2023 | 0                   |
|                | 2024 | 1                   |
| Wisconsin      | 2022 | 2                   |
|                | 2023 | 6                   |
|                | 2024 | 1                   |
| Total          | 2022 | 43                  |
|                | 2023 | 39                  |
|                | 2024 | 47                  |

**Dairy Queen®/Limited Brazier®, DQ® Treat & DQ® Soft-Serve Only Direct-Licensed Outlets  
Status of Franchised Outlets  
For Years 2022 to 2024**

| State   | Year | Outlets at Start of Year | Outlets Opened | Terminations | Non-Renewals | Reacquired by Franchisor | Ceased Operations - Other Reasons | Outlets at End of the Year |
|---------|------|--------------------------|----------------|--------------|--------------|--------------------------|-----------------------------------|----------------------------|
| Arizona | 2022 | 20                       |                |              |              |                          |                                   | 20                         |
|         | 2023 | 20                       |                |              |              |                          |                                   | 20                         |
|         | 2024 | 20                       |                |              |              |                          |                                   | 20                         |

| State       | Year | Outlets at Start of Year | Outlets Opened | Terminations | Non-Renewals | Reacquired by Franchisor | Ceased Operations - Other Reasons | Outlets at End of the Year |
|-------------|------|--------------------------|----------------|--------------|--------------|--------------------------|-----------------------------------|----------------------------|
| Arkansas    | 2022 | 1                        |                |              |              |                          |                                   | 1                          |
|             | 2023 | 1                        |                |              |              |                          |                                   | 1                          |
|             | 2024 | 1                        |                |              |              |                          |                                   | 1                          |
| California  | 2022 | 37                       |                | 1            | 2            |                          |                                   | 34                         |
|             | 2023 | 34                       |                |              | 1            |                          |                                   | 33                         |
|             | 2024 | 33                       |                | 1            | 1            |                          |                                   | 31                         |
| Colorado    | 2022 | 47                       |                |              |              |                          |                                   | 47                         |
|             | 2023 | 47                       |                | 1            | 1            |                          |                                   | 45                         |
|             | 2024 | 45                       |                | 2            | 1            |                          |                                   | 42                         |
| Connecticut | 2022 | 26                       |                |              |              |                          |                                   | 26                         |
|             | 2023 | 26                       |                |              |              |                          |                                   | 26                         |
|             | 2024 | 26                       |                |              | 1            |                          |                                   | 25                         |
| Delaware    | 2022 | 3                        |                | 1            |              |                          |                                   | 2                          |
|             | 2023 | 2                        |                |              |              |                          |                                   | 2                          |
|             | 2024 | 2                        |                |              |              |                          |                                   | 2                          |
| Florida     | 2022 | 43                       |                |              |              |                          |                                   | 43                         |
|             | 2023 | 43                       |                | 6            |              |                          |                                   | 37                         |
|             | 2024 | 37                       |                |              |              |                          |                                   | 37                         |
| Georgia     | 2022 | 9                        |                | 2            | 1            |                          |                                   | 6                          |
|             | 2023 | 6                        |                | 1            |              |                          |                                   | 5                          |
|             | 2024 | 5                        |                |              |              |                          |                                   | 5                          |
| Hawaii      | 2022 | 7                        |                |              | 1            |                          |                                   | 6                          |
|             | 2023 | 6                        |                |              |              |                          |                                   | 6                          |
|             | 2024 | 6                        |                |              |              |                          |                                   | 6                          |
| Idaho       | 2022 | 1                        |                |              |              |                          |                                   | 1                          |
|             | 2023 | 1                        |                |              |              |                          |                                   | 1                          |
|             | 2024 | 1                        |                |              |              |                          |                                   | 1                          |
| Illinois    | 2022 | 41                       |                | 2            | 1            |                          |                                   | 38                         |
|             | 2023 | 38                       |                | 2            |              |                          |                                   | 36                         |
|             | 2024 | 36                       |                | 1            |              |                          |                                   | 35                         |
| Indiana     | 2022 | 46                       |                | 2            |              |                          |                                   | 44                         |
|             | 2023 | 44                       |                | 1            |              |                          |                                   | 43                         |
|             | 2024 | 43                       |                |              |              |                          |                                   | 43                         |
| Iowa        | 2022 | 30                       |                |              |              |                          |                                   | 30                         |
|             | 2023 | 30                       |                | 2            |              |                          |                                   | 28                         |
|             | 2024 | 28                       |                |              | 1            |                          |                                   | 27                         |
| Kansas      | 2022 | 15                       |                |              |              |                          |                                   | 15                         |
|             | 2023 | 15                       |                |              |              |                          |                                   | 15                         |
|             | 2024 | 15                       |                |              |              |                          |                                   | 15                         |
| Kentucky    | 2022 | 5                        |                |              |              |                          |                                   | 5                          |
|             | 2023 | 5                        |                |              |              |                          |                                   | 5                          |
|             | 2024 | 5                        |                |              |              |                          |                                   | 5                          |
| Louisiana   | 2022 | 3                        |                | 1            |              |                          |                                   | 2                          |
|             | 2023 | 2                        |                |              |              |                          |                                   | 2                          |
|             | 2024 | 2                        |                |              |              |                          |                                   | 2                          |



| State          | Year | Outlets at Start of Year | Outlets Opened | Terminations | Non-Renewals | Reacquired by Franchisor | Ceased Operations - Other Reasons | Outlets at End of the Year |
|----------------|------|--------------------------|----------------|--------------|--------------|--------------------------|-----------------------------------|----------------------------|
| Maine          | 2022 | 13                       |                |              |              |                          |                                   | 13                         |
|                | 2023 | 13                       |                |              |              |                          |                                   | 13                         |
|                | 2024 | 13                       |                |              |              |                          |                                   | 13                         |
| Maryland       | 2022 | 16                       |                | 2            | 3            |                          |                                   | 11                         |
|                | 2023 | 11                       |                | 1            |              |                          |                                   | 10                         |
|                | 2024 | 10                       |                | 1            |              |                          |                                   | 9                          |
| Massachusetts  | 2022 | 18                       |                |              |              |                          |                                   | 18                         |
|                | 2023 | 18                       |                |              |              |                          |                                   | 18                         |
|                | 2024 | 18                       |                |              |              |                          |                                   | 18                         |
| Michigan       | 2022 | 110                      |                | 2            |              |                          |                                   | 108                        |
|                | 2023 | 108                      |                | 1            | 1            |                          |                                   | 106                        |
|                | 2024 | 106                      |                | 2            |              |                          |                                   | 104                        |
| Minnesota      | 2022 | 68                       |                | 1            |              |                          |                                   | 67                         |
|                | 2023 | 67                       | 1              | 2            | 2            |                          |                                   | 64                         |
|                | 2024 | 64                       |                | 3            |              |                          |                                   | 61                         |
| Missouri       | 2022 | 9                        |                |              |              |                          |                                   | 9                          |
|                | 2023 | 9                        |                |              | 1            |                          |                                   | 8                          |
|                | 2024 | 8                        |                | 1            |              |                          |                                   | 7                          |
| Nebraska       | 2022 | 2                        |                |              |              |                          |                                   | 2                          |
|                | 2023 | 2                        |                |              |              |                          |                                   | 2                          |
|                | 2024 | 2                        |                |              |              |                          |                                   | 2                          |
| Nevada         | 2022 | 4                        |                | 1            |              |                          |                                   | 3                          |
|                | 2023 | 3                        |                | 1            |              |                          |                                   | 2                          |
|                | 2024 | 2                        |                |              |              |                          |                                   | 2                          |
| New Hampshire  | 2022 | 6                        |                |              |              |                          |                                   | 6                          |
|                | 2023 | 6                        |                |              |              |                          |                                   | 6                          |
|                | 2024 | 6                        |                |              |              |                          |                                   | 6                          |
| New Mexico     | 2022 | 5                        |                |              |              |                          |                                   | 5                          |
|                | 2023 | 5                        | 1              |              |              |                          |                                   | 6                          |
|                | 2024 | 6                        |                |              |              |                          |                                   | 6                          |
| New York       | 2022 | 17                       |                |              |              |                          |                                   | 17                         |
|                | 2023 | 17                       |                | 1            |              |                          |                                   | 16                         |
|                | 2024 | 16                       |                |              |              |                          |                                   | 16                         |
| North Carolina | 2022 | 39                       |                |              |              |                          |                                   | 39                         |
|                | 2023 | 39                       |                | 2            |              |                          |                                   | 37                         |
|                | 2024 | 37                       |                | 1            |              |                          |                                   | 36                         |
| North Dakota   | 2022 | 2                        |                |              |              |                          |                                   | 2                          |
|                | 2023 | 2                        |                |              |              |                          |                                   | 2                          |
|                | 2024 | 2                        |                |              |              |                          |                                   | 2                          |
| Ohio           | 2022 | 53                       |                | 4            | 1            |                          |                                   | 48                         |
|                | 2023 | 48                       |                | 1            |              |                          | 4                                 | 43                         |
|                | 2024 | 43                       |                | 2            |              |                          |                                   | 41                         |

| State          | Year | Outlets at Start of Year | Outlets Opened | Terminations | Non-Renewals | Reacquired by Franchisor | Ceased Operations - Other Reasons | Outlets at End of the Year |
|----------------|------|--------------------------|----------------|--------------|--------------|--------------------------|-----------------------------------|----------------------------|
| Oklahoma       | 2022 | 7                        |                |              |              |                          |                                   | 7                          |
|                | 2023 | 7                        |                |              |              |                          |                                   | 7                          |
|                | 2024 | 7                        |                |              |              |                          |                                   | 7                          |
| Oregon         | 2022 | 1                        |                |              |              |                          |                                   | 1                          |
|                | 2023 | 1                        |                |              |              |                          |                                   | 1                          |
|                | 2024 | 1                        |                |              |              |                          |                                   | 1                          |
| Pennsylvania   | 2022 | 40                       |                | 3            | 1            |                          |                                   | 36                         |
|                | 2023 | 36                       |                | 1            |              |                          |                                   | 35                         |
|                | 2024 | 35                       |                |              | 1            |                          |                                   | 34                         |
| Rhode Island   | 2022 | 1                        |                |              |              |                          |                                   | 1                          |
|                | 2023 | 1                        |                |              |              |                          |                                   | 1                          |
|                | 2024 | 1                        |                |              |              |                          |                                   | 1                          |
| South Carolina | 2022 | 11                       |                | 5            |              |                          |                                   | 6                          |
|                | 2023 | 6                        |                | 4            |              |                          |                                   | 2                          |
|                | 2024 | 2                        |                | 1            |              |                          |                                   | 1                          |
| South Dakota   | 2022 | 2                        |                |              |              |                          |                                   | 2                          |
|                | 2023 | 2                        |                |              |              |                          |                                   | 2                          |
|                | 2024 | 2                        |                |              |              |                          |                                   | 2                          |
| Tennessee      | 2022 | 6                        |                | 1            |              |                          |                                   | 5                          |
|                | 2023 | 5                        |                |              |              |                          |                                   | 5                          |
|                | 2024 | 5                        |                |              |              |                          | 1                                 | 4                          |
| Texas          | 2022 | 1                        |                |              |              |                          |                                   | 1                          |
|                | 2023 | 1                        |                |              | 1            |                          |                                   | 0                          |
|                | 2024 | 0                        |                |              |              |                          |                                   | 0                          |
| Utah           | 2022 | 4                        |                |              | 1            |                          |                                   | 3                          |
|                | 2023 | 3                        |                |              |              |                          |                                   | 3                          |
|                | 2024 | 3                        |                |              |              |                          |                                   | 3                          |
| Washington     | 2022 | 4                        |                |              | 1            |                          |                                   | 3                          |
|                | 2023 | 3                        |                |              |              |                          |                                   | 3                          |
|                | 2024 | 3                        |                |              |              |                          |                                   | 3                          |
| West Virginia  | 2022 | 19                       |                | 1            |              |                          |                                   | 18                         |
|                | 2023 | 18                       |                | 1            |              |                          |                                   | 17                         |
|                | 2024 | 17                       |                |              |              |                          |                                   | 17                         |
| Wisconsin      | 2022 | 35                       |                | 2            |              |                          |                                   | 33                         |
|                | 2023 | 33                       |                |              |              |                          |                                   | 33                         |
|                | 2024 | 33                       |                |              |              |                          |                                   | 33                         |
| Wyoming        | 2022 | 1                        |                |              |              |                          |                                   | 1                          |
|                | 2023 | 1                        |                |              |              |                          |                                   | 1                          |
|                | 2024 | 1                        |                |              |              |                          |                                   | 1                          |
| Totals         | 2022 | 828                      | 0              | 31           | 12           | 0                        | 0                                 | 785                        |
|                | 2023 | 785                      | 2              | 28           | 7            | 0                        | 4                                 | 748                        |
|                | 2024 | 748                      | 0              | 15           | 5            | 0                        | 1                                 | 727                        |

(1) The following openings were conversions from another DQ® concept or acquisitions of a territory operator's rights in the store franchise agreements: 0 in 2022, 0 in 2023, and 3 in 2024.

- (2) The following closings were conversions to another DQ® concept or acquisitions by a territory operator of the store franchise agreements: 0 in 2022, 4 in 2023, and 2 in 2024.

**Dairy Queen®/Limited Brazier®, DQ® Treat & DQ® Soft-Serve Only Direct-Licensed Outlets  
Status of Company-Owned Outlets  
For years 2022 to 2024**

| State  | Year | Outlets at Start of Year | Outlets Opened | Outlets Reacquired from Franchisee | Outlets Closed | Outlets Sold to Franchisee | Outlets at End of the Year |
|--------|------|--------------------------|----------------|------------------------------------|----------------|----------------------------|----------------------------|
| Totals | 2022 | 0                        | 0              | 0                                  | 0              | 0                          | 0                          |
|        | 2023 | 0                        | 0              | 0                                  | 0              | 0                          | 0                          |
|        | 2024 | 0                        | 0              | 0                                  | 0              | 0                          | 0                          |

**Dairy Queen®/Limited Brazier®, DQ® Treat & DQ® Soft-Serve Only Direct-Licensed Outlets  
Projected Openings  
As of December 31, 2024**

| State      | Franchise Agreements Signed But Outlet Not Opened | Projected New Franchised Outlets In The Next Fiscal Year | Projected New Company-Owned Outlets In The Next Fiscal Year |
|------------|---|--|---|
| New Mexico | 1   | 0  | 0   |
| Total      | 1   | 0  | 0   |

The information provided below regarding subfranchised outlets is provided by territory operators and is not independently verified by ADQ.

**Dairy Queen®/Limited Brazier®, DQ® Treat & DQ® Soft-Serve Only Subfranchised Territory Operator Outlets  
Systemwide Outlet Summary  
For Years 2022 to 2024**

| Outlet Type   | Year | Outlets at the Start of the Year | Outlets at the End of the Year | Net Change |
|---------------|------|----------------------------------|--------------------------------|------------|
| Franchised    | 2022 | 289                              | 376                            | 87         |
|               | 2023 | 376                              | 371                            | -5         |
|               | 2024 | 371                              | 358                            | -13        |
| Company-Owned | 2022 | 0                                | 0                              | 0          |
|               | 2023 | 0                                | 0                              | 0          |
|               | 2024 | 0                                | 0                              | 0          |
| Total Outlets | 2022 | 289                              | 376                            | 87         |
|               | 2023 | 376                              | 371                            | -5         |
|               | 2024 | 371                              | 358                            | -13        |

**Dairy Queen®/Limited Brazier®, DQ® Treat & DQ® Soft-Serve Only Subfranchised Territory  
Operator Outlets**

**Transfer of Outlets from Franchisees to New Owners (other than the Franchisor)  
For Years 2022 to 2024**

| State        | Year | Number of Transfers |
|--------------|------|---------------------|
| Arizona      | 2022 | 1                   |
|              | 2023 | 5                   |
|              | 2024 | 1                   |
| Florida      | 2022 | 0                   |
|              | 2023 | 3                   |
|              | 2024 | 2                   |
| Illinois     | 2022 | 5                   |
|              | 2023 | 4                   |
|              | 2024 | 8                   |
| Iowa         | 2022 | 1                   |
|              | 2023 | 0                   |
|              | 2024 | 1                   |
| Minnesota    | 2022 | 1                   |
|              | 2023 | 0                   |
|              | 2024 | 0                   |
| Montana      | 2022 | 0                   |
|              | 2023 | 0                   |
|              | 2024 | 2                   |
| Nevada       | 2022 | 1                   |
|              | 2023 | 1                   |
|              | 2024 | 1                   |
| New Jersey   | 2022 | 6                   |
|              | 2023 | 2                   |
|              | 2024 | 8                   |
| Ohio         | 2022 | 0                   |
|              | 2023 | 0                   |
|              | 2024 | 1                   |
| Pennsylvania | 2022 | 3                   |
|              | 2023 | 6                   |
|              | 2024 | 3                   |
| Total        | 2022 | 18                  |
|              | 2023 | 21                  |
|              | 2024 | 27                  |

**Dairy Queen®/Limited Brazier®, DQ® Treat & DQ® Soft-Serve Only Subfranchised Territory  
Operator Outlets  
Status of Franchised Outlets  
For Years 2022 to 2024**

| State          | Year | Outlets at<br>Start of Year | Outlets<br>Opened | Termi-<br>nations | Non-<br>Renewals | Reacquired<br>by<br>Franchisor | Ceased<br>Operations -<br>Other<br>Reasons | Outlets at<br>End of the<br>Year |
|----------------|------|-----------------------------|-------------------|-------------------|------------------|--------------------------------|--|----------------------------------|
| Arizona        | 2022 | 38                          | 1                 |                   |                  |                                |  | 39                               |
|                | 2023 | 39                          | 1                 | 1                 |                  |                                |  | 39                               |
|                | 2024 | 39                          |                   |                   |                  |                                |  | 39                               |
| Colorado       | 2022 | 1                           |                   |                   |                  |                                |  | 1                                |
|                | 2023 | 1                           |                   |                   |                  |                                |  | 1                                |
|                | 2024 | 1                           |                   |                   |                  |                                |  | 1                                |
| Florida        | 2022 | 14                          |                   | 1                 |                  |                                |  | 13                               |
|                | 2023 | 13                          |                   |                   |                  |                                |  | 13                               |
|                | 2024 | 13                          |                   |                   |                  |                                |  | 13                               |
| Illinois       | 2022 | 78                          |                   | 1                 |                  |                                |  | 77                               |
|                | 2023 | 77                          |                   |                   |                  |                                |  | 77                               |
|                | 2024 | 77                          |                   | 1                 |                  | 4                              |  | 72                               |
| Indiana        | 2022 | 0                           |                   |                   |                  |                                |  | 0                                |
|                | 2023 | 0                           |                   |                   |                  |                                |  | 0                                |
|                | 2024 | 0                           |                   |                   |                  |                                |  | 0                                |
| Iowa           | 2022 | 26                          |                   |                   |                  |                                |  | 26                               |
|                | 2023 | 26                          |                   |                   |                  |                                |  | 26                               |
|                | 2024 | 26                          |                   | 1                 |                  |                                |  | 25                               |
| Massachusetts  | 2022 | 3                           |                   |                   |                  |                                |  | 3                                |
|                | 2023 | 3                           |                   |                   |                  |                                |  | 3                                |
|                | 2024 | 3                           |                   | 1                 |                  |                                |  | 2                                |
| Minnesota      | 2022 | 14                          |                   | 1                 |                  |                                |  | 13                               |
|                | 2023 | 13                          |                   |                   |                  |                                |  | 13                               |
|                | 2024 | 13                          |                   |                   |                  |                                |  | 13                               |
| Montana        | 2022 | 3                           |                   |                   |                  |                                |  | 3                                |
|                | 2023 | 3                           |                   |                   |                  |                                |  | 3                                |
|                | 2024 | 3                           |                   |                   |                  |                                |  | 3                                |
| Nebraska       | 2022 | 4                           |                   | 1                 |                  |                                |  | 3                                |
|                | 2023 | 3                           |                   |                   |                  |                                |  | 3                                |
|                | 2024 | 3                           |                   |                   |                  |                                |  | 3                                |
| Nevada         | 2022 | 13                          |                   |                   |                  |                                | 2  | 11                               |
|                | 2023 | 11                          |                   |                   | 1                |                                |  | 10                               |
|                | 2024 | 10                          | 1                 |                   |                  |                                |  | 11                               |
| New Jersey     | 2022 | 66                          |                   | 2                 |                  |                                |  | 64                               |
|                | 2023 | 64                          | 1                 |                   |                  |                                |  | 65                               |
|                | 2024 | 65                          | 1                 | 2                 |                  |                                |  | 64                               |
| North Carolina | 2022 | 9                           |                   |                   |                  |                                |  | 9                                |
|                | 2023 | 9                           |                   | 1                 |                  |                                |  | 8                                |
|                | 2024 | 8                           |                   |                   |                  |                                |  | 8                                |

| State        | Year | Outlets at Start of Year | Outlets Opened | Terminations | Non-Renewals | Reacquired by Franchisor | Ceased Operations - Other Reasons | Outlets at End of the Year |
|--------------|------|--------------------------|----------------|--------------|--------------|--------------------------|-----------------------------------|----------------------------|
| North Dakota | 2022 | 5                        |                |              |              |                          |                                   | 5                          |
|              | 2023 | 5                        |                |              |              |                          |                                   | 5                          |
|              | 2024 | 5                        |                |              |              |                          |                                   | 5                          |
| Ohio         | 2022 | 35                       |                |              |              |                          | 2                                 | 33                         |
|              | 2023 | 33                       |                | 1            |              | 1                        |                                   | 31                         |
|              | 2024 | 31                       |                | 1            |              |                          |                                   | 30                         |
| Pennsylvania | 2022 | 46                       |                | 2            |              |                          | 1                                 | 43                         |
|              | 2023 | 43                       |                |              |              |                          | 1                                 | 42                         |
|              | 2024 | 42                       |                | 2            |              |                          |                                   | 40                         |
| South Dakota | 2022 | 2                        |                |              |              |                          |                                   | 2                          |
|              | 2023 | 2                        |                |              |              |                          |                                   | 2                          |
|              | 2024 | 2                        |                |              |              |                          |                                   | 2                          |
| Virginia     | 2022 | 29                       |                | 1            |              |                          |                                   | 28                         |
|              | 2023 | 28                       |                | 1            |              |                          |                                   | 27                         |
|              | 2024 | 27                       |                | 2            | 1            |                          |                                   | 24                         |
| Wisconsin    | 2022 | 3                        |                |              |              |                          |                                   | 3                          |
|              | 2023 | 3                        |                |              |              |                          |                                   | 3                          |
|              | 2024 | 3                        |                |              |              |                          |                                   | 3                          |
| Totals       | 2022 | 389                      | 1              | 9            | 0            | 0                        | 5                                 | 376                        |
|              | 2023 | 376                      | 2              | 4            | 1            | 1                        | 1                                 | 371                        |
|              | 2024 | 371                      | 2              | 10           | 1            | 4                        | 0                                 | 358                        |

(1) The following openings were conversions from another DQ® concept or acquisitions by a territory operator of the store franchise agreements: 0 in 2022, 0 in 2023, and 0 in 2024.

(2) The following closings were conversions to another DQ® concept or acquisitions of a territory operator's rights in the store franchise agreements: 1 in 2022, 1 in 2023, and 0 in 2024.

**Dairy Queen®/Limited Brazier®, DQ® Treat & DQ® Soft-Serve Only Subfranchised Territory Operator Outlets**

**Status of Company-Owned Outlets**

**For years 2022 to 2024**

| State  | Year | Outlets at Start of Year | Outlets Opened | Outlets Reacquired from Franchisee | Outlets Closed | Outlets Sold to Franchisee | Outlets at End of the Year |
|--------|------|--------------------------|----------------|------------------------------------|----------------|----------------------------|----------------------------|
| Totals | 2022 | 0                        | 0              | 0                                  | 0              | 0                          | 0                          |
|        | 2023 | 0                        | 0              | 0                                  | 0              | 0                          | 0                          |
|        | 2024 | 0                        | 0              | 0                                  | 0              | 0                          | 0                          |

**Dairy Queen®/Limited Brazier®, DQ® Treat & DQ® Soft-Serve Only Subfranchised Territory  
Operator Outlets  
Projected Openings  
As Of December 31, 2024<sup>(1)</sup>**

| State  | Franchise Agreements Signed But Outlet Not Opened | Projected New Franchised Outlets In The Next Fiscal Year | Projected New Company-Owned Outlets In The Next Fiscal Year |
|--------|---|--|---|
| Totals | --  | --   | --  |

- (1) Territory operators are not contractually required to provide ADQ with information for their projected openings. Therefore, we are unable to provide this information.

States not listed in the tables above had no activity of the kind described. Except as noted in this Item, neither ADQ nor any of its affiliates operate any company-owned outlets substantially similar to that offered under this disclosure document. In addition, no person listed in Item 2, their immediate families or any business entities owned by them operate any company-owned outlets.

Included in this disclosure document as Exhibit I is a list of all operational direct-licensed and subfranchised DQ® Treat store and DQ® soft-serve only franchises as of December 31, 2024. Included as Exhibit J is a list of all franchisees who have had a direct-licensed and subfranchised DQ® Treat, DQ® soft-serve only, or Dairy Queen®/Limited Brazier® franchise terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during the 2024 fiscal year or who have not communicated with ADQ within ten weeks of the disclosure document issuance date. This does not include franchisees who close their seasonal restaurants or stores for part of the year, or those franchisees with old franchise agreements who are not required to pay fees or submit reports to ADQ. There are a total of 30 former franchisees or subfranchisees listed in Exhibit J: 20 DQ® Treat or Dairy Queen®/Limited Brazier® franchisees and 10 DQ® Treat or Dairy Queen®/Limited Brazier® territory operator subfranchisees. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

In some instances, during the last three fiscal years, current and former franchisees have signed provisions restricting their ability to speak openly about their experience with ADQ. You may want to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you about certain aspects of a dispute or their experience with ADQ.

The Franchise Advisory Council (“FAC”) is sponsored by ADQ. You can reach the organization at 8000 Tower, Suite 700, 8331 Norman Center Drive, Bloomington, MN 55437, Minneapolis, MN 55439, ADQ contact: Maria Hokanson, (952) 830-0200, maria.hokanson@idq.com (no website dedicated to council). ADQ also sponsors the Supply Chain Advisory Council (“SCAC”), currently with all members elected by franchisees, although ADQ may appoint an “at large” member. The business address for the SCAC is the same as for the FAC, and the ADQ contact is Scott Muyres, (952) 830-0200, scott.muyres@idq.com (no website dedicated to council). The following independent franchisee organizations have asked to be included in this disclosure document: Dairy Queen Operators’ Association, Inc., 1719 Lake Drive West, Chanhassen, MN

55317, telephone: 952-556-5511, email: dqa@dqa-dqoc.com, website: www.dqa-dqoc.com; Dairy Queen Operators' Cooperative, 1719 Lake Drive West, Chanhassen, MN 55317, Telephone: 952-556-5511, Email: dqa@dqa-dqoc.com, Website: www.dqa-dqoc.com; and Texas Dairy Queen Operators' Council, 2120 Forum Parkway, Bedford, TX 76021, Telephone: 817-283-2619, E-mail: lromanus@dqtxas.com, Website: www.dqtxas.com.

### **Item 21: Financial Statements**

The following audited financial statements of IDQ are included in this disclosure document as Exhibit K: consolidated balance sheets of IDQ at December 31, 2024 and 2023 and related consolidated statements of income and comprehensive income, stockholder's equity and cash flows for each of the years ended December 31, 2024, 2023 and 2022, together with the independent auditor's report.

These financial statements are the consolidated financial statements of IDQ, the parent corporation of ADQ and its other subsidiaries. ADQ's separate financial statements are not included in this disclosure document. Should ADQ fail to fulfill its obligations to its franchisees, however, IDQ unconditionally guarantees to fulfill such obligations. A copy of IDQ's written Guarantee of Performance is included in Exhibit K.

### **Item 22: Contracts**

This disclosure document includes a sample of the following contracts:

- Exhibit B - Operating Agreement with Undertaking and Guarantee, Ownership Addendum, Relocation Addendum, Renewal Addendum, and State Specific Addenda - Illinois, Minnesota, North Dakota, Washington and Wisconsin
- Exhibit C - Conversion Addenda
- Exhibit E - Third-Party Agreements Related to EPOS System
- Exhibit F - Design Services Agreement
- Exhibit G - Construction Consultation Services Agreement

As a prospective franchisee, you should obtain such independent legal and financial advice concerning the franchise offering as you deem appropriate before making any commitment.

### **Item 23: Receipts**

Attached as Exhibit L to this disclosure document are two copies of a detachable acknowledgment of receipt.



ADDENDUM TO DISCLOSURE DOCUMENT  
FOR THE STATE OF CALIFORNIA

The following information applies to franchises and franchisees subject to the California Franchise Investment Act. Item numbers correspond to those in the main body.

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 DISCLOSURE DOCUMENT.

1. ADQ's website is located at [www.dq.com](http://www.dq.com).

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AND COMPLAINTS CONCERNING THE CONTENTS OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT [WWW.DFPI.CA.GOV](http://WWW.DFPI.CA.GOV).

2. Item 3. In addition to the information required by Item 3, neither the Franchisor, or any person in Item 2 of the FDD is subject to any currently effective order of any National Securities Association or National Securities Exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in such association or exchange.
3. Items 6 and 17. The Operating Agreement may contain a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.
4. Item 17.
  - A. California Business & Professions Code Sections 20000 through 20043 provide rights to you concerning termination or nonrenewal of a franchise. If the Operating Agreement contains a provision that is inconsistent with the law, the law will control.
  - B. Termination of the Operating Agreement by ADQ because of your insolvency or bankruptcy may not be enforceable under applicable federal law (11 U.S.C.A. 101 et seq.).
  - C. The Operating Agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.
  - D. The Operating Agreement requires binding arbitration. The arbitration will occur at Minneapolis, Minnesota or at such other place as may be mutually agreeable to the parties with the cost being borne by the nonprevailing party. The prevailing party is entitled to recover its reasonable attorneys' fees and costs of the arbitration. You are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section

20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

- E. The Operating Agreement requires franchisee to execute a general release of claims upon renewal or transfer of the Operating Agreement. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order there under is void. Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 – 20043).
- F. 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.

5. Disclosures Regarding the California Fast Food Act (California Assembly Bill 1228)

- A. Item 1: To the extent it is applicable, you must comply with California Assembly Bill 1228, codified at Cal. Lab. Code §§ 1474-1475 (the “Fast Food Act”), which may set health, safety, and employment standards related to your employees, including standards on minimum wages, working hours, and working conditions.
- B. Items 5, 6 and 11: We currently do not provide any training or assistance, or charge any initial or ongoing fees, related to the development or implementation of any standards, policies, or procedures that may be required under the Fast Food Act. It is solely your responsibility to determine whether the Fast Food Act applies to your franchise and, to the extent it does apply, to comply with the Fast Food Act when developing and constructing your restaurant, operating your franchise, and training and supervising your employees.
- C. Item 7: The Additional Funds estimate takes into account any increased costs that you may incur related to complying with the Fast Food Act (such as increased wages), based on the Fast Food Act standards that are in effect as of this Franchise Disclosure Document’s issuance date.

ADDENDUM TO DISCLOSURE DOCUMENT  
FOR THE STATE OF HAWAII

For franchises and franchisees subject to Hawaii statutes and regulations, the Cover Page of the Disclosure Document includes the following:

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

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

THIS OFFERING CIRCULAR 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.

Item 17. The following paragraph is added to the end of Item 17 of the Disclosure Document:

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.

ADDENDUM TO DISCLOSURE DOCUMENT  
FOR THE STATE OF ILLINOIS

The following information applies to franchises and franchisees subject to the Illinois Franchise Disclosure Act of 1987. Item numbers correspond to those in the main body.

1. Cover Page and Item 17.

For Illinois franchisees, Illinois law, 815 ILCS 705/19 and 705/20, governs the franchise agreement. The conditions under which the franchise can be terminated and rights upon nonrenewal may be affected by Illinois law. Any provision in a franchise agreement that designates jurisdiction or venue in a forum outside of Illinois is void provided that a franchise agreement may provide for arbitration in a forum outside Illinois.

2. Item 17.

- A. Section 41 of the Illinois Franchise Disclosure Act states that “any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act is void.” To the extent that any provision in the Operating Agreement is inconsistent with Illinois law, Illinois law will control.
- B. Any release of claims or acknowledgments of fact contained in the Operating Agreement that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Illinois Franchise Disclosure Act, or a rule or order under the Illinois Franchise Disclosure Act will be void and are deleted with respect to claims under the Illinois Franchise Disclosure Act.

3. Item 21.

You have not been provided with financial statements of ADQ, the Franchisor. Therefore, you do not have knowledge of how this specific company has performed. However, IDQ, the parent corporation of ADQ, unconditionally guarantees the performance of ADQ. A copy of the Guaranty of Performance is on file with the Attorney General.

ADDENDUM TO DISCLOSURE DOCUMENT  
FOR THE STATE OF MARYLAND

The following applies to franchises and franchisees subject to Maryland statutes and regulations. Item numbers correspond to those in the main body.

1. Item 5

Item 5 of the disclosure document is supplemented by the following:

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 operating agreement and the outlet is opened.

2. Item 17

Item 17 of the disclosure document is supplemented by the following:

(a) Our termination of the Franchise Agreement because of your bankruptcy may not be enforceable under applicable federal law (11 U.S.C.A. 101 et seq.)

(b) Any claims under the Maryland Franchise Registration and Disclosure Law may be brought in the State of Maryland.

(c) Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the franchise is granted.

(d) The general release required as a condition of renewal, sale and/or assignment or transfer will not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

3. Additional Disclosure

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.

ADDENDUM TO DISCLOSURE DOCUMENT  
FOR THE STATE OF MINNESOTA

The following applies to franchises and franchisees subject to Minnesota statutes and regulations. Item numbers correspond to those in the main body.

1. Cover Page and Item 17.

Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400J prohibit ADQ from requiring litigation to be conducted outside of Minnesota, requiring waiver of a jury trial, requiring you to consent to injunctive relief, or requiring you to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Disclosure Document shall abrogate or reduce any of your rights as provided for in Minn. Stat. Sec. 80C, or your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction.

2. Item 13.

ADQ will undertake the defense of any claim of infringement by third parties involving the Dairy Queen® Trademark. You must cooperate with the defense in any reasonable manner prescribed by ADQ with any direct costs of such cooperation to be borne by ADQ.

3. Item 17.

- A. Minnesota law provides you with certain termination and nonrenewal rights. As of the date of this Disclosure Document, Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 require, except in certain specified cases, that you be given 90 days notice of termination (with 60 days to cure) and 180 days notice for nonrenewal of the Operating Agreement, and that consent to the transfer of the franchise will not be unreasonably withheld.
- B. Minnesota Rule 2860.4400D prohibits a franchisor from requiring a franchisee to assent to a general release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statute §§80C.01 – 80C.22.
- C. The limitations of claims section must comply with Minn. Stat. Sec. 80C.17, subd.5.

4. 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.

ADDENDUM TO DISCLOSURE DOCUMENT  
FOR THE STATE OF NORTH DAKOTA

The following information applies to franchises and franchisees subject to North Dakota statutes and regulations. Item numbers correspond to those in the main body.

1. Item 6.

The North Dakota Securities Commissioner has determined that to require franchisees to consent to liquidated damages or termination penalties is unfair, unjust, or inequitable within the intent of the North Dakota Franchise Investment Law. As a result, the termination fee provision in Item 6 of the Disclosure Document is deleted in its entirety.

2. Item 17.

- A. Covenants not to compete during the term of and upon termination or expiration of the Operating Agreement are enforceable only under certain conditions according to North Dakota law. If the Operating Agreement contains a covenant not to compete that is inconsistent with North Dakota law, the covenant may be unenforceable.
- B. Notwithstanding anything contained in Paragraph 12 of the Operating Agreement, any arbitration proceeding shall take place in the city nearest to the authorized location in which the American Arbitration Association shall maintain an office and facility for arbitration, or at such other location as may be mutually agreed upon by the parties. Any provision requiring franchisees to consent to the jurisdiction of courts outside North Dakota or to consent to the application of laws of a state other than North Dakota may be unenforceable under North Dakota law. If the laws of a state other than North Dakota govern, to the extent that such law conflicts with North Dakota law, North Dakota law will control.
- C. Any general release the franchisee is required to assent to as a condition of renewal is not intended to nor shall it act as a release, estoppel or waiver of any liability ADQ may have incurred under the North Dakota Franchise Investment Law.
- D. The Operating Agreement includes a waiver of exemplary and punitive damages. This waiver may not be enforceable under North Dakota law.
- E. The Operating Agreement requires the franchisee to consent to a waiver of trial by jury. This waiver may not be enforceable under North Dakota law.

3. 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.

ADDENDUM TO DISCLOSURE DOCUMENT  
FOR THE STATE OF RHODE ISLAND

The following information applies to franchises and franchisees subject to Rhode Island statutes and regulations. Item numbers correspond to those in the main body.

1. Item 17.

Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that: “A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.”



ADDENDUM TO DISCLOSURE DOCUMENT  
FOR THE STATE OF VIRGINIA

The following information applies to franchises and franchisees subject to the Virginia statutes and regulations.

1. Any securities offered or sold by an Investor Franchisee as part of the DQ® Treat franchise must either be registered or exempt from registration under Section 13.1-514 of the Virginia Securities Act.

2. Item 17

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for use in the Commonwealth of Virginia shall be amended to include the following additional disclosure in 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.

3. 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.

ADDENDUM TO DISCLOSURE DOCUMENT  
FOR THE STATE OF WASHINGTON

The following information applies to franchises and franchisees subject to the Washington Franchise Investment Protection Act, Revised Code of Washington, Section 19.100.180(2)(j).

1. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

2. RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including in the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

3. 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.

4. 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.

5. A release or waiver of rights executed by a licensee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

6. Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

7. 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 provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

8. 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.

**EXHIBIT A**

List of State Administrators/Agents for Service of Process

## **STATE ADMINISTRATORS/AGENTS FOR SERVICE OF PROCESS**

### **CALIFORNIA**

California Department of Financial  
Protection & Innovation  
320 W. 4<sup>th</sup> St., Suite 750  
Los Angeles, CA 90013-2344

-or-

2101 Arena Boulevard  
Sacramento, California 95834

-or-

1455 Frazee Road, Suite 315  
San Diego, California 95834

-or-

One Sansome Street, Suite 600  
San Francisco, California 94104

### **HAWAII**

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

### **ILLINOIS**

Illinois Attorney General  
Franchise Bureau  
500 South Second Street  
Springfield, Illinois 62701

### **INDIANA**

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

### **MARYLAND**

Office of the Attorney General  
Division of Securities  
200 St. Paul Place  
Baltimore, MD 21202-2020

### **MICHIGAN**

Consumer Protection Division  
Franchise Section  
G. Mennen Williams Building  
525 W. Ottawa St.  
Lansing, Michigan 48906

### **MINNESOTA**

Commissioner of Commerce  
Minnesota Department of  
Commerce  
85 - 7th Place East, Suite 280  
St. Paul, Minnesota 55101-2198

### **NEW YORK**

NY State Department of Law  
Bureau of Investor Protection and  
Securities  
28 Liberty Street, 15th Floor  
New York, New York 10005-1495

### **NORTH DAKOTA**

North Dakota Securities Department  
600 East Boulevard Avenue  
State Capitol – 14th Floor  
Bismarck, ND 58505-0510

### **RHODE ISLAND**

Securities Division  
R.I. Dept. of Bus. Regulation  
1511 Pontiac Avenue, Building 69-I  
Cranston, RI 02920

### **SOUTH DAKOTA**

Division of Insurance  
Securities Regulation  
124 S Euclid, 2<sup>nd</sup> Floor  
Pierre SD 57501

### **VIRGINIA**

State Corporation Commission  
Division of Securities and Retail  
Franchising  
1300 East Main Street, 9th Floor  
Richmond, Virginia 23219

### **WASHINGTON**

Washington State Department of  
Financial Institutions  
Securities Division  
150 Israel Rd. SW  
Tumwater, Washington 98501

### **WISCONSIN**

Commissioner of Securities  
Department of Financial Institutions  
4822 Madison Yards Way, North  
Tower  
Madison, Wisconsin 53705

## **EXHIBIT B**

Operating Agreement with Undertaking and Guarantee and related Addenda and  
Appendices

Store # \_\_\_\_\_

**DQ® TREAT OPERATING AGREEMENT**

Authorized Location:

\_\_\_\_\_  
Street

\_\_\_\_\_  
City State Zip Code

**LICENSEE:**

\_\_\_\_\_  
("Licensee")

Effective Date:

\_\_\_\_\_  
(To be completed by Company)

Expiration Date:

\_\_\_\_\_  
(To be completed by Company)

**Licensee's Initials:**\_\_\_\_\_

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## **DQ® TREAT OPERATING AGREEMENT**

This agreement is between American Dairy Queen Corporation, a Delaware corporation whose principal office is located at 8000 Tower, Suite 700, 8331 Norman Center Drive, Bloomington, MN 55437 (“Company”), and the Licensee listed on the cover page to this agreement, and is effective as stated in section 15.15.

### **Background**

- Company and its predecessors and affiliates have expended considerable time, effort, skill and financial resources in developing the System (defined in section 16).
- Company owns, or licenses from its affiliates, the Trademarks (defined in section 16) used in connection with the System.
- Licensee desires to obtain the right to develop and operate one DQ® Treat restaurant using the System.

Therefore, the parties agree as follows:

### **Terms and Conditions**

1. **CAPITALIZED TERMS.** Capitalized terms have the definitions given them in section 16.
2. **GRANT OF LICENSE.**
  - 2.1 **Authorized Location.** Subject to the terms and conditions of this agreement, Company grants to Licensee the right and license to establish and operate the Restaurant identified by the Trademarks. Licensee accepts this license and will operate the Restaurant in compliance with the System and this agreement.
  - 2.2 **Pre-opening Requirements.** Licensee must use Company’s pre-opening assistance, including in-restaurant training and Restaurant opening schedules and procedures, demonstrate that Licensee satisfies Company’s dry-run training requirement, and meet other pre-opening requirements specified by Company. Licensee may not open or commence operation of the Restaurant until Company notifies Licensee that all pre-opening requirements have been met. Company is not liable for any damages arising out of Licensee’s failure to open the Restaurant by a particular date.
  - 2.3 **Limited License.** The license granted by this agreement is limited to the right to operate one Restaurant at the Authorized Location, and does not include:
    - (A) An exclusive area or protected territory within which Company or its affiliates agree not to issue competing franchises or operate competing businesses;

- (B) Any right to sell or distribute products and menu items identified by the Trademarks at any location other than the Authorized Location or through any other channels or methods of distribution, including the internet (or any other existing or future form of electronic commerce such as social media, mobile applications, third party delivery and other platforms and the metaverse) and pre-packaged retail or catalog sales, except as Company may authorize or require as part of the System;
- (C) Any right to sell or distribute products and menu items identified by the Trademarks to any person or entity for resale or further distribution, except as Company may authorize or require as part of the System; or
- (D) Any right to sublicense, or exclude, control or impose conditions on the location or development of future restaurants or stores.

**2.4 Reservation of Rights.** Company reserves all rights not expressly granted to Licensee under this agreement. Company and its affiliates have the right to operate and grant others the right to operate competing businesses at any location but the Authorized Location, as determined by Company or its affiliates. These locations may include freestanding buildings and facilities, strip centers, shopping malls, and other similar locations. These locations also may include transportation terminals, sports facilities, recreation areas, hotels, hospitals, campus facilities, and other non-traditional locations. In addition, Company and its affiliates have the right to sell or distribute, themselves or through designees, products identified by the Trademarks, or any other trademarks, service marks, trade names and commercial symbols, through any distribution channels or methods, including the internet (or any other existing or future form of electronic commerce such as social media, mobile applications, third party delivery and other platforms and the metaverse) and pre-packaged retail or catalog sales.

**3. TRADEMARK STANDARDS AND REQUIREMENTS.** The Trademarks are the exclusive property of Company or its affiliates, and Licensee's right to use the Trademarks is conditioned upon the following terms:

**3.1 Trademark Ownership.** The Trademarks are valuable property owned or licensed by Company, and Company or its affiliates are the exclusive owner of all right, title, and interest in and to the Trademarks. Licensee's use of the Trademarks inures to the benefit of Company or its affiliates. Licensee disclaims all right, title and interest in or to the goodwill and the Trademarks and agrees that the goodwill and Trademarks are the exclusive property of Company or its affiliates. Licensee will not, during or after the term of this agreement, engage in any direct or indirect conduct that would infringe upon, harm or contest the rights of Company or its affiliates in any of the Trademarks or the goodwill associated with the Trademarks.

**3.2 Trademark Use.** Licensee may only use the Trademarks in connection with the Restaurant, and must not use, or permit the use of, any other trademarks, trade names or service marks. Licensee must use the Trademarks, in the form

and manner prescribed by Company in writing, only in connection with the products and services specified or approved periodically by Company that meet Company's standards of quality, mode and condition of storage, production and sale, and portion and packaging. Licensee must comply with all trademark, trade name and service mark notice marking requirements. Licensee acknowledges the value of System uniformity and agrees that Licensee's failure to comply with the System will adversely affect the value of the Trademarks.

### **3.3 Restaurant Identification.**

- (A) Licensee must not use any of the Trademarks as part of its business entity name.
- (B) Licensee must only use the DQ® mark and no other mark or words as the trade name of the Restaurant, unless Company otherwise directs.
- (C) Licensee cannot use any additional words with the Trademarks without Company's prior written consent.
- (D) Licensee may use the Trademarks on various materials, such as business cards, stationery and checks, on the condition that Licensee:
  - (1) Accurately depicts the Trademarks on the materials;
  - (2) Includes a statement on the materials indicating that the business is independently owned and operated by Licensee; and
  - (3) Makes available to Company, upon its request, a copy of any materials depicting the Trademarks.
- (E) Licensee must post a prominent sign in the Restaurant identifying Licensee as a franchisee of Company in a format reasonably acceptable to Company, which includes an acknowledgment that the Restaurant is independently owned and operated by Licensee and the Trademarks are owned by Company and used by Licensee under a license issued by Company.

**3.4 Restrictions on Internet and Website Use.** Company retains the sole right to advertise the System on the internet and to create, operate, maintain and modify, or discontinue the use of, websites (including pages and profiles on social media websites) using the Trademarks. Licensee has the right to access Company's website. Except as Company may authorize in writing, however, Licensee will not: (1) link or frame Company's website; (2) conduct any business or offer to sell or advertise any products or services on the internet (or any other existing or future form of electronic communication); and (3) create or register any internet domain name in connection with the Restaurant. Licensee will not register, as internet domain names, any of the Trademarks now or hereafter owned by Company or any abbreviation,

acronym or variation of the Trademarks, or any other name that could be deemed confusingly similar.

**3.5 Trademark Litigation.** In the event any person or entity improperly uses or infringes the Trademarks, Company or its affiliates will control all litigation and determine whether to institute, prosecute or settle a suit, the terms of settlement, and whether to take any other action. Licensee must promptly notify Company of any improper use or infringement of which Licensee is aware, promptly inform Company of any claim arising out of Licensee's use of any Trademark, and cooperate with any action taken by Company in response.

**3.6 Substitutions.** If a party claims superior rights to use any of the Trademarks and Company determines that the claim is legally meritorious, then upon receiving written notice from Company, Licensee will, at its expense, immediately make such changes and use such substitutions to the Trademarks as Company requires.

#### **4. TERM AND RENEWAL.**

**4.1 Term.** The term of this agreement starts on the Effective Date and, unless earlier terminated under section 13, runs for:

- (A) 15 years after the target opening date, as determined by Company, if for a new DQ Treat franchise;
- (B) The lesser of 15 years or the remaining term of the transferring licensee's operating agreement, if this agreement is signed as a requirement of a transfer; or
- (C) The renewal term specified in the expiring operating agreement, if this agreement is signed as a requirement of renewal

**4.2 Expiration Date.** Company will designate the expiration date of this agreement on the cover page and the date designated by Company shall control.

**4.3 Renewal.** If the following conditions are met, Licensee may renew its license for an additional renewal term, which will be the shorter of 15 years or the period that Licensee has the right to maintain possession of the Restaurant premises:

- (A) Licensee gives Company written notice of its intent to renew between 3 - 6 months before the expiration of the term;
- (B) Licensee signs Company's then current operating agreement. The terms of the then current operating agreement may differ materially from this agreement, including higher or additional fees;
- (C) Licensee has complied with the modernization and replacement provisions of section 5.5;

- (D) Licensee is in good standing, including that it has satisfied all monetary obligations on a timely basis, and does not have a history of substantial noncompliance with the System or this agreement;
- (E) Licensee has the right to maintain possession of the Restaurant premises, and has provided written proof of its ability to remain in possession of the premises throughout the renewal period if leasing or subleasing;
- (F) Licensee pays Company a non-refundable renewal fee of \$1,000 times the number of years (including partial years) included in the renewal term, but not more than \$10,000, which is due 30 days before expiration of this agreement. For example, if the renewal operating agreement is for 7½ years, the renewal fee would be \$8,000;
- (G) Licensee and each Principal Owner sign a general release, in a form acceptable to Company, of all claims against Company and its affiliates, officers, directors, employees, and agents; and
- (H) Company approves the location where the Restaurant will be operated during the renewal period.

**5. FACILITY STANDARDS AND MAINTENANCE.** Company may periodically establish quality standards regarding the business operations of DQ® restaurants and stores to protect the distinction, goodwill and uniformity symbolized by the Trademarks and System. Accordingly, Licensee must maintain and comply with Company's quality standards and abide by the following conditions:

**5.1 Restaurant Facility.** The Restaurant must be constructed and equipped in accordance with Company's current approved specifications and standards pertaining to equipment, inventory, signage, fixtures, location, accessory features and design and layout of the Restaurant. Licensee must not commence construction of the Restaurant, or purchase or lease a location for the development of the Restaurant, until Company has given written consent to Licensee's building plans and the location. Licensee must complete the construction of the Restaurant in accordance with the approved building plans and otherwise satisfy all building plan and site work requirements without any unauthorized alterations. If Licensee enters into a lease for the Restaurant premises, Licensee must provide the lease and all lease exhibits to Company within 5 days of its execution. Licensee must obtain all necessary permits, licenses and architectural seals, and in all other respects comply with applicable legal requirements relating to the premises, building, signs, equipment and premises, including the Americans With Disabilities Act. Company's consent to building plans or a site does not guarantee compliance with any legal requirements or the Restaurant's success at that site. Company will furnish Licensee with lists of required and approved equipment, signage, fixtures and furnishings. Licensee must not use the Restaurant premises or Authorized Location for any purpose other than the operation of the Restaurant during the term of this agreement. After the expiration or termination of this agreement,

Licensee must not use the Restaurant premises or Authorized Location in violation of section 14.6.

- 5.2 Future Alteration.** Any replacement, reconstruction, addition or modification in the building, premises, interior or exterior decor or image, equipment or signage of the Restaurant to be made after Company's consent is granted for initial plans, whether at the request of Licensee or of Company, must be made in accordance Company's then current specifications and standards. Licensee must not commence any replacement, reconstruction, addition or modification until Licensee has received Company's written consent to Licensee's revised building plans. Company owns any alterations or improvements made by or on behalf of Licensee to the building plans.
- 5.3 Maintenance.** Licensee must maintain the building, premises, grounds, equipment and signage used in the operation of the Restaurant in good condition and in accordance with requirements established periodically by Company, and any reasonable schedules prepared by Company based upon periodic evaluations of the premises by Company's representatives. Within 90 days after the receipt of a report based on an evaluation, Licensee must effect the items of maintenance designated in the report, including the repair of defective items or the replacement of irreparable or obsolete items of equipment and signage.
- 5.4 Relocation.** If it becomes necessary to replace or relocate the Restaurant because of the condemnation of the Authorized Location, the exercise of a replacement or relocation right by Licensee's landlord, or for some other reason approved by Company, then Company will grant Licensee authority to replace or relocate upon the following conditions:
- (A) The new location must be:
    - (1) Acceptable to Company;
    - (2) Reasonably suited for a Restaurant;
    - (3) In a location that is consistent with Company's current site selection guidelines; and
    - (4) If the Restaurant is a Captive-venue Location, within the same building or venue as the Authorized Location, or if the Restaurant is a Street Location, within a 500 meter radius of the Authorized Location.
  - (B) The new site must not infringe on the rights of any other licensee or sublicensee of Company.
  - (C) After Licensee discontinues operation of the Restaurant at the Authorized Location, the new Restaurant must be under construction within 30 days if a Captive-venue Location, or 180 days if a Street Location.



- (D) After construction commences, the new Restaurant must be open and operating within 90 days if a Captive-venue Location, or 120 days if a Street Location.
- (E) The new Restaurant must be constructed and equipped in accordance with Company's then current standards and specifications.

**5.5 Modernization or Replacement.** Licensee must modernize, refurbish or replace the building, premises, equipment, signage and grounds as is necessary to reasonably conform them to Company's then current standards for similarly situated new restaurants of the type developed under this agreement, upon renewal of this agreement, upon transfer of this agreement under the circumstances described in section 11, and every 10 years or any shorter period required by the lease for the premises. The requirements of this section 5.5 are reasonable and necessary to ensure continued public acceptance and patronage of DQ® restaurants and to avoid deterioration or obsolescence in connection with the operation of the business.

**5.6 Lease.**

- (A) To the extent that Company assists Licensee with any lease negotiations, Licensee acknowledges that Company or an affiliate:
  - (1) has not made any representations or warranties to Licensee with respect to whether Company's or its affiliate's negotiation with the landlord will be successful, whether the lease terms or site are adequate or appropriate, nor that the Authorized Location will be ready for occupancy or opening by any specified date; and
  - (2) neither Company nor an affiliate are responsible or liable to Licensee for damages arising out of any failure by Company or its affiliate to obtain the landlord's agreement to enter into a lease, the landlord's failure to enter into a lease with Licensee, or for the failure of the Authorized Location to be ready for occupancy or opening by any specified date.
- (B) If Licensee has signed a sublease for the Restaurant premises and Company or its affiliate and the landlord are unable to agree to a prime lease, Company may declare this agreement null and void, and all deposits, including the initial franchise fee, will be returned to Licensee minus the greater of a \$2,500 cancellation fee or Company's actual expenses incurred in connection with processing Licensee's application and providing services for Licensee's benefit.

**6. PRODUCTS AND OPERATIONS STANDARDS AND REQUIREMENTS.**

**6.1 Menu.** The Restaurant is limited to the preparation and sale of products periodically designated and approved by Company. Licensee must offer for sale from the Restaurant all items listed on the Menu and no other items. To the

fullest extent the law allows, Company may require Licensee to offer items on the Menu at the maximum, minimum, or other prices that Company specifies from time to time. Company may periodically make modifications to the Menu and Licensee must comply with any modifications. Licensee must not offer or sell any other product or service at the Restaurant without Company's prior written consent.

**6.2 Authorized Ingredients and Supplies.** Licensee must only use in the operation of the Restaurant and in the preparation of products the ingredients, recipes, formulas and supplies specified by Company. Licensee must prepare products in the portions, sizes, appearance and packaging specified by Company in the Operations Manual or otherwise communicated in writing. Licensee must secure at its own expense all necessary permits or approvals for the use and sale of all products, supplies and ingredients in and from the Restaurant. All supplies, including cones, cups, containers, eating utensils, and napkins, and all other customer service materials of all descriptions and types must meet the reasonable standards of uniformity and quality as now or hereafter are set by Company.

**6.3 Powders.** The Powders are secret formulas. Their composition or formula will not be, and is not required to be, disclosed to Licensee. Licensee must not resell (at retail or otherwise), make, manufacture, alter, adulterate or dilute the Powders, or any substitute for the Powders, or similar products and must maintain in secrecy any information it acquires about the Powders. Company may refer to the Powders by other terms, including compounds. Licensee must purchase exclusively from Company's designated supplier (which may be Company or an affiliate) the Powders and the frozen orange juice concentrate used in Orange Julius® products.

**6.4 Approved Products, Services, and Equipment.**

(A) Company will periodically publish lists of approved products (including ingredients of approved products), approved services, and approved equipment (including an approved menu board system (dine in and drive-thru, if applicable)). Licensee must use only the approved products, approved services, and approved equipment in the Restaurant described in the approved products, services, and equipment lists, as they may be periodically modified by Company. Licensee may not test, offer, or sell any new or unapproved products without Company's prior written consent.

**(B) Although they may be approved by Company, Company makes no warranties and expressly disclaims all warranties, including warranties of merchantability and fitness for a particular purpose, with respect to products (including ingredients), services, equipment (including the EPOS System, any required Computer Systems, and any menu board system), supplies, fixtures, furnishings, or other approved items.**

- (C) Company has the right to approve the manufacturer, supplier and/or distributor of any approved products (or the ingredients of any approved products), approved services and any approved equipment. Under all circumstances, Company has the right to designate a single approved manufacturer, supplier and/or distributor of:
  - (1) Soft drink products;
  - (2) Third party branded products for use in Licensee's Restaurant;
  - (3) Products relating to limited time offers and special promotions;
  - (4) Equipment, including the EPOS System and Computer Systems, and all related software and back-office hardware and software;
  - (5) Any product, ingredient, service or equipment where Company does not receive any fee or payment with respect to the sale of that product, ingredient, service or equipment, other than payments from vendors for marketing; and
  - (6) The Powders and frozen orange juice concentrate.
- (D) Company has the right to designate a single approved manufacturer, supplier and/or distributor of any other approved products (or the ingredients of any approved products), approved services and any approved equipment but for products, services, and equipment not described in sections 6.4(C) (1) - (6), as long as there is not in place an agreement for a unified purchasing program between Company and a cooperative association of DQ® restaurant and store operators to benefit the entire Franchise System in the United States, Licensee may make written request for approval of a specific product, service, or piece of equipment of an additional, qualified manufacturer, supplier or alternate distributor, pursuant to Company's then current policies and procedures.

## **6.5 EPOS System, Computer Systems, and Internet.**

- (A) **EPOS System and Computer Systems.** Licensee must purchase, install and maintain at its own expense an EPOS System and the Computer Systems at the Restaurant. Licensee must purchase the EPOS System and Computer Systems from a source or sources designated by Company. Company may designate a single source from whom Licensee must purchase the EPOS System or Computer Systems, and any components thereof or associated service. As part of the EPOS System or Computer Systems, Licensee may be required to license software from Company, an affiliate or a third party, and Licensee also may be required to pay a software licensing or user fee and support fee in connection with Licensee's use of the EPOS System or Computer Systems. Licensee may periodically be required to enter into license agreements related to Licensee's use of components of the EPOS System or Computer Systems.

Licensee will be required to use and, at Company's discretion, pay for all future updates, supplements and modifications to the EPOS System or Computer Systems. Licensee must allow Company access to Licensee's EPOS System and the Computer Systems, and the data and information they collect and store, at such times and in such a manner as Company periodically designates. Licensee must keep all financial information and customer data produced by or otherwise located on Licensee's EPOS System or Computer Systems secure at all times.

- (B) **Internet Access.** Licensee must have access at all times to the internet (or future form of electronic communication) at the Restaurant through an established service provider. Licensee must purchase, install and maintain a minimum of one DSL or cable/broadband internet connection and (if required by Company) one additional phone line or other future required communication access device that are exclusively designated and permanently connected to the EPOS System and any required Computer Systems. If the Restaurant is in an area without DSL or cable/broadband internet access, Company may require Licensee to install either a satellite connection, up to three additional phone lines, or any other communication access device or devices necessary to enable Company to communicate with the Restaurant on the same basis as with other newly built DQ® locations. Company may designate the specifications of any future required communication access device or method.
- (C) **Electronic Communication.** Licensee must maintain and regularly use an active email account or other form of electronic communication designated by Company, and keep Company informed of Licensee's contact information.

**6.6 Vending, Gaming, Alcohol, and Smoking.** Licensee must not permit the following on the Restaurant premises:

- (A) Video game machines, vending machines or any similar coin-operated or electronic device or machine.
- (B) The sale, distribution or use of lottery or gambling devices of any nature, alcoholic or intoxicating beverages, or controlled substances.
- (C) Smoking, and Licensee must post signs on all doors and throughout the Restaurant to announce the smoke-free policy.

**6.7 Health and Sanitation.** The Restaurant must be operated and maintained at all times in compliance with all applicable health and sanitary standards prescribed by governmental authority. Licensee must also comply with any higher standards that Company prescribes. In addition, if the Restaurant is subject to any sanitary or health inspection by any governmental authorities under which it may be rated in one or more classification, it must be maintained and operated so as to be rated in the highest available health and sanitary classification by the inspecting governmental agency. If Licensee fails to be rated

in the highest classification or receives any notice that it is not in compliance with all applicable health and sanitary standards, it must immediately notify Company of the failure or noncompliance and resolve all non-compliant issues.

**6.8 Evaluations.** Company or its authorized representative may enter the Restaurant at any time during the business day to:

- (A) Make periodic evaluations and to ascertain compliance with this agreement;
- (B) Inspect and evaluate Licensee's Restaurant, building, land and equipment;
- (C) Test, sample, inspect, and evaluate Licensee's supplies, ingredients and products, and the storage, preparation, and formulation of these items; and
- (D) Inspect and evaluate the conditions of sanitation and cleanliness in the storage, production, handling, and serving of Licensee's supplies, ingredients, and products.

**6.9 Period of Operation.**

- (A) **Open to the Public.** Subject to any contrary requirements of local law, the Restaurant must be open to the public and operated at least 12 hours each day of the year, with the exception of New Year's Day, Easter Day, Thanksgiving Day, and Christmas Day. Any variance must be authorized in writing by Company. However, if the Restaurant is in a Captive-venue Location that sets operating hours, then Restaurant must only be open during the required operating hours of that Captive-venue Location.
- (B) **Voluntary Abandonment.** If Licensee voluntarily abandons the franchise, in addition to the other remedies provided for in this agreement, Company may terminate this agreement under section 13.2(C). The following events constitute voluntary abandonment:
  - (1) The Restaurant is closed for 5 consecutive days or more without Company's prior written consent.
  - (2) Failure to commence construction of the Restaurant within 180 days after the Effective Date. If Company terminates the agreement under this subparagraph, then all deposits, including the initial franchise fee, will be returned to Licensee minus the greater of a \$5,000 cancellation fee or Company's actual expenses incurred in connection with processing Licensee's application and providing services for Licensee's benefit.
  - (3) Failure to open and operate the Restaurant within 270 days after the Effective Date, unless an extension of time is authorized in writing by Company.

- (C) **Damage or Destruction.** If the Restaurant is destroyed or damaged, Licensee must rebuild or repair the destroyed or damaged Restaurant at the Authorized Location in accordance with Company's then current standards and specifications. If the Restaurant closed during rebuilding or repair, then the rebuilt or repaired Restaurant must open within 120 days (if a Captive-venue Location) or 270 days (if a Street Location) of the date of occurrence of its destruction or damage.

**6.10 Operating Procedures.** Licensee must comply with the required standards, procedures, techniques, and management systems described in the Operations Manual relating to the development and operation of the Restaurant, including product preparation, menu, storage, uniforms, financial management, equipment, facility maintenance, and sanitation. Licensee must promptly notify Company of any claim or litigation in which Licensee is involved that arises from the operation of the Restaurant.

**6.11 Operations Manual.** Company will provide on loan to Licensee, during the term of this agreement, a hard copy or electronic or online access to the Operations Manual. The Operations Manual will contain mandatory and suggested specifications, standards and operating procedures that Company develops for DQ® restaurants and information relating to Licensee's other obligations. Any required specifications, standards and operating procedures exist to protect Company's interest in the System and the Trademarks and to create a uniform customer experience, and not for the purpose of establishing any control or duty to take control over those matters that are reserved to Licensee. Company may add to, and otherwise modify, the Operations Manual to reflect changes in authorized products and services, the Company required maximum, minimum, or other prices for Menu items, and specifications, standards and operating procedures of a DQ® restaurant. Company will provide Licensee with notification of any additions and modifications to the Operations Manual. The master copy of the Operations Manual that Company maintains at its principal office or on its website will control if there is a dispute involving the contents of the Operations Manual. Licensee must, at its expense, comply with all provisions of the Operations Manual.

**6.12 Proprietary or Confidential Information.**

- (A) **Use and Restrictions.** Licensee does not acquire any interest in Confidential Information, other than the right to use it in developing and operating the Restaurant under this agreement. The use or duplication of the Confidential Information in any other business constitutes an unfair method of competition. The Confidential Information is proprietary and is Company's trade secret. Licensee will:
- (1) not use the Confidential Information in any other business or capacity;
  - (2) maintain the absolute confidentiality of the Confidential Information during and after the term of this agreement;

- (3) not make unauthorized copies of any Confidential Information disclosed in written form nor input or use any Confidential Information in any open source artificial intelligence program;
  - (4) adopt and implement all reasonable procedures Company directs to prevent unauthorized use or disclosure of the Confidential Information, including restrictions on disclosure to Restaurant employees;
  - (5) not reverse engineer, decompile or disassemble any of Company's proprietary products, formulas, ingredients, or software; and
  - (6) ensure that all Owners, the Designated Manager, the Assistant Managers and any other employees with access to Confidential Information abide by the confidentiality obligations in this agreement.
- (B) **Compelled Disclosure.** The restrictions on Licensee's disclosure and use of the Confidential Information will not apply to disclosure of Confidential Information in judicial or administrative proceedings to the extent Licensee is legally compelled to disclose this information, if Licensee uses its best efforts to maintain the confidential treatment of the Confidential Information, and provides Company the opportunity to obtain an appropriate protective order or other assurance satisfactory to Company of confidential treatment for the information required to be disclosed.

**6.13 Improvements.** If the Licensee, Owners or Licensee's employees or agents conceive or develop any ideas, concepts, products, recipes, process methods, techniques, improvements, or additions relating to the development or operation of a DQ® restaurant or the System, or any new trade names, service marks or other commercial symbols, or associated logos relating to the operation of the Restaurant, or any advertising or promotion ideas related to the Restaurant, then:

- (A) Licensee must fully and promptly disclose these to Company;
- (B) they are Company's property, and Licensee and Licensee's Owners, agents or employees must sign all documents necessary to evidence the assignment of these items to Company without compensation;
- (C) Company has the perpetual right to use and authorize others to use these items without any obligation to Licensee for royalties or other fees; and
- (D) Licensee must not introduce into the Restaurant any of these or any additions or modifications to the System without Company's prior written consent.

- 6.14 Website and Other Online Communication.** Company may require Licensee, at Licensee's expense, to participate in websites or other online communication methods (collectively "online communication") that Company sponsors or that are branded with any of the Trademarks. Company will determine the content and use of online communication and will establish the rules under which licensees generally, or Licensee in particular, must participate. Company retains all rights relating to any online communication and may alter or terminate any online communication at any time. Licensee's general conduct on any online communication is subject to this agreement. Licensee's access codes, identification codes and information Licensee receives through access to Company's websites are considered Confidential Information. Licensee's right to participate in online communication, or otherwise use the Trademarks or System on the internet, terminates when this agreement expires or terminates.
- 6.15 Payment Methods.** Licensee must allow its customers to pay for products by credit card, gift card, or other means or method of payment (electronic or otherwise) that Company periodically designates. Licensee must purchase and maintain at its own expense a subscription or other service contracts necessary to facilitate payment by any means or method of payment designated by Company. Company has designated a single supplier to administer and support all aspects of the Company's gift card program. Licensee must sign the form of gift card participation agreement designated periodically by Company.
- 6.16 Data Security.** Licensee must comply with the Payment Card Industry (PCI) Data Security Standards and all other applicable data security standards.

## **7. PERSONNEL AND SUPERVISION STANDARDS.**

- 7.1 Pre-opening Training.** Licensee must at its own expense comply with all of Company's pre-opening training requirements for the Restaurant within 6 months prior to the Restaurant opening. If Licensee fails to comply with Company's pre-opening training requirements to Company's reasonable satisfaction, Licensee cannot open or operate the Restaurant.
- 7.2 Ongoing Training.** Licensee and its employees must meet Company's ongoing training requirements at Licensee's expense.
- 7.3 Training upon Default.** If Licensee is in default of this agreement for failure to meet any operational standards, Company may require Licensee to comply with additional training requirements prescribed by Company at Licensee's expense as a condition of curing the default.
- 7.4 In-Restaurant Training Program.** Company may periodically make available, or provide electronic or another form of access, to Licensee an in-restaurant training program at Licensee's expense. Licensee may purchase Company's in-restaurant training program and training updates.



- 7.5 Supervision.** Licensee must maintain and operate the Restaurant at the Authorized Location under Licensee's active and continuous supervision in compliance with the System, on the terms of this agreement. At all times for the Restaurant, Licensee must have a Designated Manager and one Assistant Manager if the Restaurant is Licensee's first DQ® treat restaurant, or only a Designated Manager if the Restaurant is Licensee's second or more DQ® treat restaurants, who have all successfully completed all training required by Company prior to starting any management duties. Any new or replacement Designated Manager or Assistant Manager must meet Company's then current training requirements for DQ® treat restaurant managers.
- 7.6 Staffing.** Licensee must require all Restaurant employees to work in clean uniforms approved by Company, at Licensee's cost or at the employee's cost at Licensee's election. No employee of Licensee is or will be deemed an employee of Company for any purpose. Licensee will hire all employees of the Restaurant, and be exclusively responsible for the terms of their employment, compensations, scheduling, benefits, disciplining and all other personnel decisions respecting Restaurant employees without any influence or advice from Company. Licensee will implement a training program for Restaurant employees in compliance with Company's requirements. Licensee will maintain at all times a staff of trained employees sufficient to operate the Restaurant in compliance with Company's standards.
- 7.7 Attendance at Meetings.** The Controlling Owner must, at Licensee's expense, attend all meetings Company holds or sponsors in Licensee's area or region, including all designated market area or other marketing area meetings for the marketing area in which the Restaurant is located, and all meetings related to new products or product preparation procedures, new System programs, new operational procedures or programs, training, restaurant management, financial management, sales or sales promotion, or similar topics. If the Controlling Owner is unable to attend a meeting, Licensee must notify Company prior to the meeting and cause a substitute person from Licensee's operations acceptable to Company to attend and represent Licensee at the meeting. Company strongly recommends that key employees of Licensee also attend meetings described in this subparagraph.
- 7.8 Cost of Training and Meetings.** Licensee is responsible for any applicable tuition or fee, the salaries, wages, benefits, travel and living expenses, and other related costs for all individuals affiliated with Licensee and the Restaurant who attend any initial training, ongoing training, other training and meetings described in this section 7.
- 8. SALES PROMOTION ACTIVITIES.** Licensee will actively promote the Restaurant, abide by Company's advertising requirements, and comply with the following provisions:
- 8.1 Sales Promotion Activities and Fees.** Company may periodically establish, organize, and prescribe sales promotion activities, and Licensee must pay to Company or Company's designee the sales promotion program fee in section 9.3

regardless of whether other Company licensees pay greater, lesser, or no sales promotion program fees. Company has the sole right to determine how the sales promotion program fees will be spent, including the selection of promotional materials and activities. Company and its affiliates have no fiduciary obligation to DQ® licensees with respect to the sales promotion activities or expenditures of sales promotion program fees. The sales promotion program fees are not held by Company in trust. Company will make a good faith effort to expend the fees in the general best interests of the DQ® brand or Franchise System (or one or more components thereof). Company will make available upon request the sales promotion activities receipts and expenditures from the fees collected. Company is not required to audit the sales promotion receipts and expenditures.

**8.2 Administration Expenses.** Company may use a portion of the sales promotion program fees to compensate itself or its affiliates for the expense of administering and promoting sales promotion activities.

**8.3 Approved Materials.** Licensee must only use the sales promotion or other advertising materials that Company furnishes or makes available to Licensee, or that Company approves for use in Licensee's sales promotion activities.

**(A) Company Provided Materials.**

- (1) Company may periodically make available sales promotion or other advertising materials to Licensee at a reasonable cost. Licensee must purchase these materials; however, Company may at its option periodically include the cost of these materials in the sales promotion program fee paid under section 9.3.
- (2) Licensee cannot transfer sales promotion or advertising materials that Company furnishes or makes available to Licensee to any third party or allow a third party to use them. Sales promotion and other advertising materials produced by the national marketing fund ("NMF") administered by Company are licensed only to current NMF participating DQ® restaurants and stores, and may not be transferred to or used in any way by or in non-NMF participating DQ® restaurants and stores.

**(B) Licensee Developed Materials.** Licensee must submit all sales promotion or other advertising materials developed by Licensee to Company for Company's written approval prior to use.

- (1) Examples of sales promotion or advertising materials that Company must approve include menu board transparencies, counter mats, counter mat inserts, posters, billboard paper or vinyl, newspaper inserts, lawn signs, banners, menu board or register toppers, window clings, cake freezer merchandising, stanchions/display point-of-purchase, TV and radio creative, online communication, electronic or mobile media, loyalty programs, and direct mail.

- (2) Company will not unreasonably withhold approval of any sales promotion or other advertising materials that Licensee proposes to use, as long as Licensee's materials are factually accurate, current, in good condition, in good taste, of like quality to and not in conflict with sales promotion and other advertising materials Company furnishes or makes available to Licensee, and accurately depict the products and Trademarks.
- (3) Company owns and can use and permit others to use any sales promotion or other advertising materials, ideas, concepts or programs developed by Licensee.

## **9. FEES, REPORTING, AND AUDIT.**

**9.1 Initial Franchise Fee.** Licensee must pay to Company an initial franchise fee of \$25,000, which has been paid prior to or upon the date of execution of this agreement. Except as described in this agreement, the initial franchise fee is not refundable.

**9.2 Continuing License Fee.** Licensee must pay to Company monthly a continuing license fee of 5% of Gross Sales.

### **9.3 Sales Promotion Program Fee.**

- (A) Licensee must pay to Company monthly a sales promotion program fee of:
  - (1) For Orange Julius® branded products, up to 6% of Gross Sales. The current fee is 5% for Street Locations, and 1.25% for Captive-venue Locations;
  - (2) For all other products, 5% - 6% of Gross Sales.
- (B) Company will determine the exact percentage to be paid by Licensee within the ranges in section 9.3(A) without regard to the amount that any other licensee of Company may pay. Company will let Licensee know at least 90 days in advance of imposing any requirement that Licensee pay a higher percentage within the applicable range.
- (C) Licensee must also pay all sales promotion fees required by any lease or sublease for the Restaurant premises, and must comply with all sales promotion requirements of Licensee's lease or sublease. If Licensee is Company's or an affiliate's sublessee, then Licensee must to pay the required lease sales promotion fees to Company in addition to the fee payable under section 9.3(A), even if the landlord delays or fails to enforce prompt compliance with all lease requirements.

### **9.4 Computations and Remittances.**

- (A) Subject to section 9.6, all amounts due under this agreement, except the initial franchise fee, must be computed at the end of each month's

operation and paid as described in section 9.7 to Company within 10 days after the end of the month. Licensee must certify the computation in the manner and form specified by Company, and Licensee must supply to Company supporting or supplementary materials as Company reasonably requires to verify the accuracy of Licensee's remittances.

- (B) Licensee waives all existing and future claims to offset against amounts due under this agreement, which amounts must be paid when due. Company may apply or cause to be applied against amounts due to Company (or any of its affiliates) amounts which are held by Company or its affiliates on Licensee's behalf or owed to Licensee by Company or its affiliates.

**9.5 Weekly Payment.** If Licensee fails to timely make any payment or timely submit any monthly report due to Company, then Company may require Licensee to pay continuing license and sales promotion program fees on a weekly basis. If Company requires weekly payment, then:

- (A) Company will establish a reasonable estimate of the amount of continuing license and sales promotion program fees that Licensee must pay to Company each month. Based on this estimate, Company will establish the amount that Licensee must pay to Company each week.
- (B) Company will credit all payment amounts it receives from Licensee against the continuing license and sales promotion program fees due from Licensee to Company at the end of each month's operations.
- (C) Company will submit to Licensee a monthly reconciliation of Licensee's continuing license and sales promotion program fees account showing the credits to Licensee's account from amounts collected by Company through the weekly payments. If Licensee fails to submit reports under section 9.9, then Company may make the reconciliation in conformance with Company's determination as to amounts due. Unless Licensee provides evidence in a form satisfactory to Company of the correct amounts due within 14 days after Company provides notice to Licensee, then Company's reconciliation will be conclusive as to the amounts due to Company from Licensee. Licensee must pay any amounts due immediately at the end of the 14 days. If Company determines that Licensee has overpaid continuing license or sales promotion program fees, Company will remit to or credit Licensee an amount equal to the excess fees collected at the time the reconciliation is provided to Licensee.
- (D) Company will collect, via the method described in section 9.7, all weekly payments and any amounts due to Company after Company's reconciliation.
- (E) Company may periodically revise the amount that Licensee is required to pay to Company each week if Company determines that the amount is

too low or high as compared to the actual continuing license and sales promotion program fees due to Company from Licensee each month.

**9.6 Electronic Funds Transfer.** Licensee must sign an electronic transfer of funds authorization, or other documents that Company designates periodically, to authorize and direct Licensee's bank or financial institution to transfer either electronically or through some other method of payment Company designates, directly to the account of Company or its affiliates and to charge to the account of Licensee all amounts due to Company or its affiliates from Licensee. Licensee's authorizations permit Company or its affiliates to designate the amount to be transferred from Licensee's account. Licensee must maintain a balance in its account sufficient to allow Company and its affiliates to collect the amounts owed to them when due. Licensee is responsible for any penalties, fines or other similar expenses associated with the transfer of funds described in this subparagraph. Company may require Licensee to pay as described in this section, regardless of whether Company imposes the same requirement on other DQ® licensees.

**9.7 Interest; Late Fees.** All amounts owed by Licensee to Company or its affiliates under this agreement will bear interest at the lesser of 18% per annum or the maximum rate of interest permitted by governing law. Company may also charge Licensee a \$50 fee for each late report or payment owed to Company under this agreement. This fee is not interest or a penalty, but compensates Company for increased administrative and management costs due to late payment. A payment is late if:

- (A) It is not received by Company on or before the date due;
- (B) The payment is received by Company on or before the date due, but is not honored by Licensee's bank or financial institution; or
- (C) There are insufficient funds in Licensee's bank account on or after the due date to collect a payment by the method of payment described in section 9.7.

**9.8 Reports.**

- (A) **Monthly Report.** Licensee must electronically (or using another method periodically required by Company) complete and submit to Company monthly reports with information from the previous calendar month on Company's then-current form. The reports are due within 10 days after the end of each month. The report must include the following information:
  - (1) Amount of gross receipts of the Restaurant;
  - (2) Amount of sales tax;

- (3) Gross Sales and the computation of the continuing license fee, sales promotion program fee, and any other applicable fees listed in section 9;
  - (4) Total volume of mix, weight of meat and other commodities that Company may designate, and the sources from which obtained; and
  - (5) Other information about the Restaurant requested by Company.
- (B) **Profit and Loss Statement.** Licensee must submit to Company a monthly profit and loss statement for the Restaurant, in a format designated by Company (which will include items such as a summary of cost of goods, utilities, labor, rent, and other material cost items), by the 20<sup>th</sup> day of the following month.
- (C) **Sales Tax and Other Information.** If requested by Company to verify Licensee's Gross Sales, Licensee must submit copies of its most recent sales tax return and all Business Records required by Company under Company's then-current audit policies.
- (D) **Right to Use Information.** Licensee must allow Company electronic and manual access to all Business Records and Licensee hereby consents to Company's use in any manner permitted by law, of the Business Records and other information relating to the Restaurant that Licensee submits to Company, or that Company obtains through review of Licensee's Business Records or by accessing Licensee's EPOS System or Computer Systems. Company may share this information with third parties, including consultants, and existing and potential franchisees.

**9.9 Financial Books and Records.** Licensee must employ sound financial management and planning practices in connection with the Restaurant, and keep accurate Business Records in an electronic format using a methodology approved by Company.

- (A) Licensee must keep its Business Records, and the information, data and statistics that are the basis for the Business Records, for at least 5 full calendar years from the date of preparation or any longer period required by applicable law.
- (B) Business Records must be compiled, kept and submitted to Company on the forms, in the manner (electronically or another format), and using the methods of bookkeeping and accounting that Company periodically prescribes. Licensee must provide this information to Company according to reporting formats, methodologies and time schedules periodically established by Company. Upon Company's request, Licensee must submit tax returns relating to the Restaurant to Company.

#### **9.10 Audit.**

- (A) **On-site Audit.** Company or its authorized representative may at all times during the business day enter the premises where Licensee keeps its Business Records, and evaluate, copy and audit the Business Records.
- (B) **Off-site Audit.** In addition to or instead of an on-site audit, Company may require Licensee to give Company, at Licensee's expense, copies of the Business Records requested by Company.
- (C) **Understatement of Gross Sales.** In addition to any other rights Company may have, if any audit reveals that the Restaurant's Gross Sales have been understated by 3% or more, Licensee must reimburse Company for all costs of the audit, including salaries, outside accountant fees, outside attorneys' fees, copying costs, postage, travel, meals, and lodging ("audit costs"), and for all audit costs incurred in connection any additional periodic on-site or off-site audits of the Business Records that Company reasonably deems necessary for up to 2 years after the initial audit. Upon Company's request, Licensee must submit tax returns for all Owners to Company. If Licensee intentionally understates or underreports Gross Sales, continuing license fees, or sales promotion program fees, or if an additional audit conducted within the 2-year period reveals an understatement or variance of 3% or more, in addition to any other remedies provided for in this agreement, at law or in equity, Company may terminate this agreement in accordance with section 13.2(C).
- (D) **Sales Reconstruction.** In order to verify the information supplied by Licensee in the Business Records, Company may reconstruct Licensee's sales through the inventory extension method or any other reasonable method of analyzing and reconstructing sales. Licensee will accept a reconstruction of sales unless Licensee provides evidence in a form satisfactory to Company of Licensee's actual sales within 14 days from the date that Company provides notice to Licensee of the understatement. Any amounts payable to Company because of the understatement are due immediately at the end of the 14 days.

## 10. LICENSEE'S OTHER OBLIGATIONS.

### 10.1 Payment of Debts.

- (A) Licensee must pay promptly when due all:
  - (1) Payments, obligations, assessments and taxes due and payable to Company and its affiliates, vendors, suppliers, lessors, federal, state or local governments, or creditors in connection with the Restaurant;
  - (2) Liens and encumbrances of every kind and character created or placed upon or against any of the property owned by the Restaurant; and

(3) Accounts and other indebtedness incurred by Licensee relating to the Restaurant.

(B) If Licensee defaults on any payment listed in section 10.1(A), Company may pay it on Licensee's behalf and Licensee must promptly reimburse Company on demand for the payment.

**10.2 Liability and Indemnification.** Licensee waives all claims against Company for damages to property or injuries to persons arising out of the operation of the Restaurant. Licensee must fully protect, indemnify and defend Company and its affiliates and hold them harmless from and against any and all claims, demands, damages, and liabilities of any nature whatsoever arising in any manner, directly or indirectly, out of or in connection with or incidental to the Restaurant (regardless of cause or any concurrent or contributing fault or negligence of Company) or any breach or failure to comply with this agreement.

**10.3 Insurance.**

(A) Licensee must purchase and maintain at its own expense liability insurance at a minimum limit of liability designated periodically by Company, but not less than \$2,000,000 per occurrence, or a higher amount that Company may in the future require of similarly situated franchisees or that a lessor of the Restaurant premises may require. The insurance coverage must start on the earlier of the date Licensee takes possession of the Authorized Location or the date Licensee begins operating the Restaurant, and continue through the later of the Expiration Date or the date the Restaurant closes. Licensee must annually, or any shorter period of time at Company's request, deliver to Company a certificate of insurance and additional insured and other endorsements showing compliance with this section 10.3. The insurance coverage must:

- (1) Insure Licensee, Company, Company's affiliates and any other person or entity designated by Company by name from liability for any and all such damage and injury;
- (2) Be written with a company rated no less than "A" by AM Best Insurance Rating;
- (3) Name International Dairy Queen, Inc. and its affiliates as an additional insured; and
- (4) Provide that Company will be given 30 days' prior written notice of material change in or termination or cancellation of the policy.

(B) Licensee must purchase and maintain workers' compensation insurance and all additional insurance that may be required by law or other agreement related to the Restaurant.



- (C) If Licensee does not procure and maintain the required insurance coverage, Company may procure insurance coverage for Licensee and charge the cost to Licensee, together with a reasonable fee for Company's expenses in doing so, payable by Licensee immediately upon notice.
- (D) Licensee's obligation to obtain and maintain these insurance policies in the amounts specified is not limited in any way by reason of any insurance that Company may maintain, nor does Licensee's procurement of required insurance relieve Licensee of liability under the indemnity obligations described in Section 10.2 of this Agreement. Licensee's insurance procurement obligations under this Section are separate and independent of Licensee's indemnity obligations.
- (E) Company does not represent or warrant that any insurance that Licensee is required to purchase will provide adequate coverage for Licensee. The requirements of insurance specified in this Agreement are for Company's protection. Licensee should consult with its own insurance agents, brokers, attorneys and other insurance advisors to determine the level of insurance protection it needs and desires, in addition to the coverage and limits required by Company.

**10.4 Compliance with Laws.** Licensee must at all times maintain the Restaurant premises and conduct the Restaurant in compliance with all applicable laws, regulations, codes and ordinances, including labor and employment laws. In addition, Licensee must comply with all privacy policies, data protection and security, and breach response policies that Company may establish. Licensee must notify Company immediately of any suspected data breach at or in connection with the Restaurant. Licensee is an independent business and responsible for control and management of the Restaurant, including matters such as hiring and discharging Licensee's employees, and setting and paying wages and benefits of Licensee's employees, and scheduling employees. Company has no power, responsibility or liability in respect to these or related matters. Licensee has had an opportunity to obtain legal advice regarding, and currently complies with, all applicable legal requirements that prohibit unfair, fraudulent or corrupt business practices, including U.S. and other legal requirements that are designed to combat terrorism and terrorist activities. In addition, neither Licensee nor Owner is named as a "specially designated national" or "blocked person" as designated by the United States Department of the Treasury's Office of Foreign Assets Control.

**10.5 In-Term Noncompete.** During the term of this agreement, Licensee, the Designated Manager, a Principal Owner, or an officer or director of a Principal Owner owning a 20% or greater interest in Licensee cannot, without Company's prior written consent, directly or indirectly operate, permit to be operated, or hold any interest in any Competitive Business.

## 11. TRANSFER OF FRANCHISE.

**11.1 Consent Required.** Company enters this agreement with specific reliance upon the financial qualifications, personal experience, skills, and managerial and financial qualifications of the Licensee and its Owners. Because of this, no transfer may be made in whole or part, whether in one or more transactions, without Company's consent.

**11.2 Definition of Transfer.** A "transfer" is defined as a sale (including an installment sale), lease, pledge, contract for deed, option agreement, assignment, bequest, gift, transfer of interest upon death or disability, management agreement (or any other arrangement pursuant to which Licensee or an Owner turns over all or part of the daily operation of the Restaurant to a person or entity who shares in the losses or profits of the Restaurant in a manner other than as an employee or agent of Licensee), or disposal of the Restaurant, any assets, revenues or profits of the Restaurant (except in the ordinary course of business), or any direct or indirect ownership interest in this agreement, the Restaurant, the Licensee, or an Owner to any other person or entity (a "transferee"). If Licensee or any Owner is a trust, a "transfer" also includes any modification, amendment, revocation or restructuring of the trust (including but not limited to any change in the roles of or individuals named as beneficiaries, trustees, grantors, settlors or other similar positions of the trust) that would result in any change of control of Licensee or any Owner.

**11.3 Requirements for a Transfer.** The following requirements must be satisfied before Company will consent to any direct or indirect transfer or proposed transfer of this agreement, the Restaurant, or any ownership interest in this agreement, the Restaurant, the Licensee, or an Owner:

(A) **Application.** Licensee must immediately notify Company of a proposed transfer, promptly submit to Company a transfer request and release of information form and provide Company with a complete application for consent to transfer at least 90 days before the effective date of the transfer. The transfer request and release of information form and application must be completed on Company's then-current forms and accompanied by all other documents required by Company.

(B) **Right of First Refusal.**

(1) **Offer.** In the event of a proposed transfer, Licensee must give Company a copy of the purchase agreement or other written statement with the terms of the offer, signed by both the offeror and Licensee, along with such additional information concerning the transaction as Company may reasonably require, which may include a copy of the lease, financial information, tax returns and other documents typically provided to a buyer. Company has the right (at its option, upon written notice to Licensee) to assign to a third party Company's right of first refusal.

- (2) **Insolvency.** If the proposed transfer results from Licensee's insolvency or the filing of any petition by or against Licensee under a bankruptcy or insolvency law ("bankruptcy"), Licensee must first offer to sell to Company Licensee's interest in this agreement and the land, building, equipment, furniture and fixtures, and leasehold interest used in the operation of Licensee's Restaurant ("bankruptcy assets"). The purchase price of the bankruptcy assets will be established by a qualified appraiser selected by the parties. If the parties cannot agree upon an appraiser, upon petition of either party, one will be appointed by a judge of the United States District Court in the Authorized Location's state. Licensee or Licensee's legal representative must deliver to Company a written statement incorporating the appraiser's report. The transaction documents will be prepared by Company, and will be as customary for this type of transaction.
- (3) **Acceptance and Closing.** Company has 30 days from Company's receipt of the statement setting forth the third-party offer and such other information requested by Company, or the appraiser's report to accept the offer by delivering written notice of acceptance to Licensee. Company's acceptance will be on the same price and terms set forth in the statement except that Company may substitute equivalent cash for any noncash consideration and the terms will include the customary representations and warranties as to ownership, condition of and title to assets, loans and encumbrances on the assets, validity of contracts and agreements and contingent and other liabilities afforded the assets. Company has 30 days after accepting the offer to close on the sale.
- (4) **Failure to Accept.** If Company fails to accept the offer within the 30 day period, Licensee has 60 days to effect the disposition described in the statement delivered under 11.3(B)(1) or 11.3(B)(2) to Company if the transfer is otherwise in compliance with section 11. Licensee cannot effect any other transfer of Licensee, this agreement or the Restaurant without first complying with the right of first refusal requirements.
- (C) **Security Interest.** Neither Licensee nor an Owner may retain a security or other financial interest in the property to be transferred without Company's prior written consent and except upon conditions acceptable to Company. Licensee must inform Company if Licensee or an Owner proposes to retain a security or other financial interest.
- (D) **Transferee Requirements.** The transferee must meet Company's then current requirements for transferees, including those relating to financial position and management and operational experience.
- (E) **Transfer Fee.**

- (1) **Amount.** Licensee must pay Company a transfer fee of \$5,500, which is due when Licensee submits the application for consent of the transfer. The transfer fee increases by \$500 on January 1, 2025, and on each 5-year anniversary of that date.
- (2) **Refund.** If Company exercises its right of first refusal or does not consent to a proposed transfer, Company will return the transfer fee to Licensee, minus any actual expenditures or disbursements made by Company in direct connection with evaluating or processing the proposed transfer, together with an itemized statement of these costs. The transfer fee is not refundable in whole or in part except as expressly stated in this agreement.
- (F) **Payment of Amounts Owed.** All amounts owed by Licensee to Company or any of Company's affiliates, Licensee's suppliers, or any landlord for the Restaurant premises and Authorized Location, or upon which Company or any of Company's affiliates have any contingent liability, must be paid in full.
- (G) **Compliance with Agreement.** Licensee must be in full compliance with the terms of this agreement, including providing Company with all reports required in sections 9.9 and 9.10 through the effective date of the transfer.
- (H) **Guarantee.** All Owners of transferee must sign Company's then current form of undertaking and guarantee. In addition, if Company allows Licensee or an Owner to retain a security or other financial interest in this agreement or the Restaurant after the transfer, then Licensee and the Owner must guarantee the performance of this agreement until the security or other financial interest terminates.
- (I) **General Release.** Licensee, each Owner, and each guarantor must sign a general release of all claims arising out of or relating to this agreement, Licensee's Restaurant, or the parties' business relationship, in the form designated by Company, releasing Company and its affiliates.
- (J) **Training.** The transferee must, at Licensee's or transferee's expense, comply with Company's then current training requirements for DQ® Treat restaurants.
- (K) **Financial Reports and Data.** Company may require Licensee to prepare and furnish to transferee or Company financial reports and other data relating to the Restaurant and its operations as Company deems reasonably necessary or appropriate for transferee or Company to evaluate the Restaurant and the proposed transfer. Company may confer with proposed transferees and furnish them with information concerning the Restaurant and proposed transfer without being held liable to Licensee, except for intentional misstatements made to a

proposed transferee. Any information furnished by Company to proposed transferees is for the sole purpose of permitting the transferees to evaluate the Restaurant and proposed transfer and will not be construed in any manner or form whatsoever as financial performance representations or claims of success or failure.

- (L) **Then Current Operating Agreement.** Transferee must sign Company's then current operating agreement, which may have materially different terms and conditions, including higher or additional fees.
- (M) **Facility Items and Modernization.** Licensee must complete the repairs, maintenance, and other similar items at the Restaurant that Company specifies in writing. In addition, if Licensee has not completed a modernization under section 5.5 in the past 10 years, then Licensee must complete the modernization prior to the effective date of the transfer. If Licensee has completed a modernization under section 5.5 in the past 10 years, then transferee will be required to complete the next modernization by the date Licensee would have been required to modernize under this agreement.
- (N) **Transfer Agreement.** Licensee (and each Owner) must sign an agreement, in form satisfactory to Company, in which Licensee and each Owner covenant to observe the post-termination covenant not to compete and all other applicable post-termination obligations described in this agreement.
- (O) **Other Conditions.** Company may expand upon, and provide more details related to, the conditions for transfer and our consent as described in this Section 11.3, and may do so in the Operations Manual or otherwise in writing. Licensee and each transferee must comply with any other conditions that Company reasonably requires periodically as part of its transfer procedures.

**11.4 Consent Not Unreasonably Withheld.** As long as Licensee and transferee meet Company's applicable requirements for a transfer, Company will not unreasonably withhold consent for the transfer.

**11.5 Transfer Void.** Any attempted transfer by Licensee without Company's prior written consent or otherwise not in compliance with the terms of this agreement is void and gives Company the right at its option to either default and terminate this agreement, or to consent to the transfer and collect from Licensee and the guarantors a transfer fee equal to two times the transfer fee provided for in section 11.3(E)(1).

**11.6 Transfer by Company.** Company can transfer, in whole or in part, its interest in this agreement without Licensee's consent. Following the effective date of any assignment, Licensee will look solely to the transferee or assignee,

and not to Company, for the performance of all obligations under this agreement.

## **12. DISPUTE RESOLUTION.**

**12.1 Arbitration.** Subject to section 12.2, any dispute between Licensee and Company, or any of their affiliates, arising under, out of, in connection with or in relation to this agreement, any lease or sublease for the Restaurant or Authorized Location, the parties' relationship, or the Restaurant must be submitted to binding arbitration under the authority of the Federal Arbitration Act ("FAA"). Any state laws attempting to prohibit arbitration or void out of state forums for arbitration are preempted by the FAA. The dispute must be arbitrated in accordance with the then current rules and procedures and under the auspices of the American Arbitration Association ("AAA"), except to the extent the rules and procedures are modified below.

- (A) The then-current AAA Large, Commercial Case Rules apply where the matter in controversy in the arbitration proceeding is at least \$500,000. The matter in controversy is defined not only by the amount of the demand, but also by the value of the matter to the parties to the arbitration. The AAA will decide the amount of the matter in controversy, subject to a challenge of the AAA decision by either party to the arbitrator(s).
- (B) The arbitrator(s) has the power to rule on his or her own jurisdiction, including any objections with respect to the existence, scope, or validity of the arbitration agreement or to the arbitrability of any claim or counterclaim. The arbitrator(s) has the power to determine the existence or validity of a contract of which an arbitration clause forms a part. Such an arbitration clause will be treated as an agreement independent of the other terms of the contract. A decision by the arbitrator(s) that the contract is null and void will not for that reason alone render invalid the arbitration clause.
- (C) Multiparty arbitration is specifically prohibited, and any arbitration will be on an individual basis alone; the arbitration may not be consolidated or otherwise joined with any other proceeding. The arbitrator will have no authority or power to proceed with any claim as a multiparty proceeding or a class action or to otherwise join or consolidate any claim with any other claim or any other proceeding involving third parties.
- (D) The arbitration must take place in Minneapolis, Minnesota, or at another place mutually agreed upon by the parties.
- (E) Except as may be required by law, neither a party nor an arbitrator may disclose the existence, content, or results of any arbitration under this section 12.1 without the prior written consent of both parties.

- (F) Except for the appeal process described in section 12.1(G), the decision of the arbitrator(s) will be final and binding on all parties to the dispute; however, the arbitrator(s) will have no authority or power to: (i) stay the effectiveness of any pending termination of this agreement; (ii) assess punitive or exemplary damages; or (iii) make any award that extends, modifies or suspends any lawful term of this agreement or any reasonable standard of business performance set by Company. The arbitrator(s) must also follow the applicable law and may not disregard the law based on principles of justice or equity which are not a specific part of the applicable law. A judgment may be entered upon the arbitration award by any state or federal court in Minnesota or the state of the Authorized Location.
- (G) Any award rendered by the arbitrator(s) may be appealed pursuant to the AAA's Optional Appellate Arbitration Rules in effect as of the Effective Date of this agreement ("Appellate Rules"). Any award will, at a minimum, be a reasoned award. The award will not be considered final until after the time for filing the notice of appeal pursuant to the Appellate Rules has expired. Appeals must be initiated within thirty days of receipt of an award, as defined by Rule A-3 of the existing Appellate Rules, by filing a notice of appeal with any AAA office. The appeal tribunal may affirm, reverse, or modify the award of the arbitrator(s), or return the matter to the arbitrator(s) for further action. A final award may be entered once the appeal process is complete or the time for filing an appeal has expired, and a judgment may be entered upon the arbitration award in accordance with the procedures identified in section 12.1(F).

**12.2 Injunctive Relief.** The Restaurant is one of a large number of restaurants and stores identified by the Trademarks selling similar products to the public. The failure on the part of a single licensee to comply with the terms of its agreement could cause irreparable damage to Company or to some or all of Company's other licensees. Therefore, in the event of a breach or threatened breach of any of the terms of this agreement by a party, the other party is entitled to an injunction from a court of law restraining the breach or to a decree of specific performance, without showing or proving any actual damage, together with recovery of reasonable attorneys' fees and other costs incurred in obtaining the equitable relief, until a final and binding determination is made by the arbitrators. The arbitrator(s) has no authority to award interim, injunctive, or other equitable relief pending conclusion of the arbitration proceeding. Any equitable remedies are in addition to, not in lieu of, all other remedies or rights which the parties might otherwise have by virtue of any breach of this agreement by the other party. Company and its affiliates have the right to commence a civil action in any court of competent jurisdiction against Licensee or take other appropriate action to obtain injunctive relief (whether temporary, preliminary or permanent) to compel Licensee's compliance with trademark standards and requirements to protect the goodwill of the Trademarks (including enforcement of the non-compete provisions in section 10.5 and 14.6) without having to file an arbitration demand.

**12.3 Attorneys' Fees.** The prevailing party in any action or proceeding arising under, out of, in connection with, or in relation to this agreement, any lease or sublease for the Restaurant or Authorized Location, the parties' relationship, or the Restaurant is entitled to recover its reasonable attorneys' fees and costs.

**12.4 Jury Trial.** The parties irrevocably waive any right they may have to a jury trial.

### **13. DEFAULT AND TERMINATION.**

**13.1 Default.** Licensee is in default of this agreement if Company determines that Licensee or any Owner or guarantor has breached any of the terms of this agreement or any other agreement between Licensee and Company or its affiliates, which includes:

- (A) Making any false report to Company;
- (B) Failure to submit to Company the lease (if applicable) for the Authorized Location prior to the Restaurant opening;
- (C) Failure to submit any required report when due;
- (D) Intentionally understating or underreporting, or failure to pay when due any amounts required to be paid to Company or any of Company's affiliates whether under this agreement or otherwise or to any third party as required by this agreement;
- (E) Licensee, an Owner, or a guarantor being charged with any felony or misdemeanor which brings or tends to bring any of the Trademarks into disrepute or impairs or tends to impair the goodwill of any of the Trademarks;
- (F) Failing an evaluation under section 6.8, or failure to abide by Company's standards and requirements in connection with the operation of the Restaurant;
- (G) Violation of the Licensee's confidentiality obligations under this agreement;
- (H) Filing of tax or other liens which may affect this agreement, or voluntary or involuntary bankruptcy, by or against Licensee or any Principal Owner or guarantor, insolvency, making an assignment for the benefit of creditors or any similar voluntary or involuntary arrangement for the disposition of assets for the benefit of creditors; or
- (I) Failure to meet any requirements or specifications established by Company with respect to product quality, physical property, conditions of equipment or materials used, products manufactured, Menu, or use of approved products, packaging or promotional materials.



**13.2 Termination.** Company can terminate this agreement in accordance with the following provisions:

- (A) **Opportunity to Cure.** Except as set out in sections 13.2(B) and (C), Licensee has (i) 10 days from the date of a written notice of default to cure a default for failure to submit any required report when due or to pay when due any amounts required to be paid to Company or any of Company's affiliates and (ii) 30 days from the date of a written notice of default to cure any other default under this agreement. Licensee's failure to cure a default within the cure period will provide Company with good cause to terminate this agreement, and the termination will be accomplished by mailing or delivering to Licensee written notice of termination that will identify the grounds for the termination.
- (B) **Twenty-Four Hours to Cure.** If a default under this agreement materially impairs the goodwill associated with any of the Trademarks or the operation, maintenance or construction of the Restaurant results in a threat or danger to the public health or safety (for example, violating any of Company's zero tolerance policies or food safety requirements), then Licensee will have 24 hours after Company provides notice of the default to cure the default. Company has the right to require Licensee to close the Restaurant immediately upon notice and keep it closed until such time as the default is cured. If the default is not cured within 24 hours, or Licensee fails or refuses to close the Restaurant upon notice from Company, the termination will be effective immediately upon notice of termination. Notwithstanding any notice provisions under this agreement, notices under this section are deemed received when, as shown in Company's records, actual notice was given to the Controlling Owner, a Principal Owner, the Designated Manager, or the person designated to receive notices under section 15.3(B), whether delivered personally, by phone, fax, email, or reputable overnight service.
- (C) **Immediate Termination.** Licensee has no right to cure the following defaults and this agreement terminates immediately on Company's issuance of written notice of termination:
  - (1) Licensee's loss of the right to occupy the Restaurant premises;
  - (2) If the Restaurant is destroyed or damaged, Licensee's failure to repair and reopen for operation the Restaurant at the Authorized Location within 270 days of the date of occurrence of the destruction or damage (as described in section 6.9(C));
  - (3) Licensee's failure to relocate and reopen in accordance with and within the time periods and conditions set forth in section 5.4;
  - (4) Voluntary abandonment as defined in section 6.9(B);

- (5) Insolvency of Licensee or a Principal Owner or guarantor, or Licensee's or a Principal Owner's or guarantor's making an assignment or entering into any similar arrangement for the benefit of creditors;
  - (6) Conviction of Licensee or any Owner, the Designated Manager or a guarantor of an offense directly related to the Restaurant;
  - (7) Intentionally understating or underreporting Gross Sales, continuing license fees or sales promotion program fees as described in section 9.11(c);
  - (8) Any default by Licensee which is the third default within any consecutive 12-month period; or
  - (9) Licensee or an Owner is named as a specially designated national or blocked person as designated by the United States Department of the Treasury's Office of Foreign Assets Control.
- (D) **Termination Fee.** Upon Company's termination of this agreement for any reason under section 13.2, Licensee must pay to Company, within 30 days of the date of the termination, a termination fee as calculated below to compensate Company for anticipated and reasonably estimated lost profits. This subparagraph is not applicable to any termination or cancellation of a franchise agreement for an Authorized Location that did not open. The termination fee will be calculated as follows:
- (1) Two times the continuing license fees payable to Company for the last 12 months of the Restaurant's active operations;
  - (2) If the Restaurant opened but did not operate for a full 12 months before the date of termination, 24 multiplied by the average monthly continuing license fees payable to Company from the date of opening through the date of termination; or
  - (3) If there are less than 24 months remaining on the term, the number of months remaining on the term multiplied by the average monthly continuing license fees payable to Company for the last 12 months of the Restaurant's active operations.
- (E) **Effect of Other Laws.** Any valid, applicable law or regulation establishing permissible grounds, cure rights, or minimum periods of notice for termination of this franchise supersedes any provision of this agreement less favorable to Licensee than the law or regulation.

**13.3 Termination by Licensee.** Licensee may terminate this agreement as a result of a breach by Company of a material provision of this agreement after Licensee provides Company written notice of the breach that identifies the grounds for the breach, and Company fails to cure the breach within 30 days after Licensee

provides written notice to Company. The termination will be effective 60 days after Licensee provides written notice of the breach to Company. Licensee's termination of this agreement under this section 13.3 does not release or modify Licensee's post-term obligations under section 14.

**14. POST-TERM OBLIGATIONS.** Upon the expiration or termination of this agreement:

**14.1 Reversion of Rights.** All rights of Licensee to use the Trademarks, all other rights and licenses granted under this agreement, and the right and license to conduct business under the Trademarks at the Authorized Location revert to Company without further act or deed of any party. All right, title and interest of Licensee in, to and under this agreement and any operational goodwill become the property of Company.

**14.2 Stop Using Trademarks.**

- (A) Licensee must immediately stop using and displaying the Trademarks and any point-of-sale materials and other sales promotion and advertising materials furnished, made available or approved by Company, and must stop using Company's Confidential Information (including the Operations Manual). Licensee must immediately return to Company all copies of the Operations Manual and any other Confidential Information in Licensee's possession or control, or previously disseminated to Licensee's employees.
- (B) Subject to section 14.5, Licensee must, within 20 days, at Licensee's expense, remove or obliterate all Restaurant signage, displays, photos and other materials in Licensee's possession at the Authorized Location or elsewhere that bear any of the Trademarks or names or material confusingly similar to the Trademarks. Licensee must also, within 20 days, alter the appearance of the Restaurant, including removal or substantial modification of any trade dress, so as to differentiate the Restaurant unmistakably from duly licensed restaurants and stores identified by the Trademarks.
- (C) If Licensee does not comply with section 14.2(B) within 20 days, Company may enter the Authorized Location and remove all Restaurant signage, displays, photos or any other materials in Licensee's possession at the Authorized Location or elsewhere that bear any of the Trademarks or names or material confusingly similar to the Trademarks, and Licensee must reimburse Company for Company's costs incurred in connection with this removal.
- (D) If, despite not being permitted to do so, Licensee owns or controls any domain name registrations in connection with the Restaurant or that include any of the Trademarks, Licensee agrees to promptly transfer ownership of such domain names to Company and execute any documents the domain name registry requires in connection with the transfer of these domain name registrations to Company.

- 14.3 Liable for Obligations.** Licensee remains liable for its obligations under any applicable lease or sublease for the Restaurant premises and Authorized Location, and its other applicable obligations under this agreement or any other agreement between Licensee and Company or Company's affiliates.
- 14.4 Amounts Owed.** Licensee must pay all sums due to Company, its affiliates or designees, or that Licensee owes to third parties which have been guaranteed by Company or any of its affiliates, within 10 days of the termination or expiration of this agreement.
- 14.5 Purchase Option.** Company may purchase or designate a third party to purchase any or all of the assets of the Restaurant that are owned by Licensee or any of Licensee's affiliates including the land, building, equipment, fixtures, signage, furnishings, supplies, leasehold, leasehold improvements, and inventory of the Restaurant, upon the following conditions:
- (A) Company must give Licensee written notice of its intent to exercise its purchase rights under this section 14.5 within 30 days after the date of the expiration or termination of this agreement.
  - (B) The purchase will be at a price determined by a qualified appraiser paid for by Company and selected with the consent of both parties. The price determined by the appraiser will be the reasonable fair market value of the assets based on their continuing use in, as, and for the operation of a DQ® Treat restaurant and the appraiser will designate a price for each category of asset (e.g., land, building, equipment, fixtures, etc. but not good will). If the parties cannot agree upon an appraiser, either party may petition a judge of the United States district court for the district in which the Authorized Location is located to appoint an appraiser.
  - (C) Within 45 days after Company's receipt of the appraisal report, Company must inform Licensee if Company or Company's designee intends to purchase any or all of the assets at the price in the appraisal report. Company or its designated purchaser and Licensee must complete and close the purchase of the designated assets in a commercially reasonable time and manner. Company may reduce the price paid for the assets by any unpaid portion of the termination fee due under section 13.2(D) of this agreement.
  - (D) Upon Company's or its designated purchaser's exercise of the purchase option and tender of payment, Licensee agrees to sell and deliver, and cause its affiliates to sell and deliver, the purchased assets to Company or its designated purchaser, free and clear of all encumbrances, and to execute and deliver, and cause its affiliates to execute and deliver, to Company or its designated purchaser a bill of sale for the assets or any other documents as may be commercially reasonable and customary to effectuate the sale and transfer of the assets being purchased.

- 14.6 Post-Term Noncompete.** Licensee and the Principal Owners cannot directly or indirectly (including acting as a lessor, lessee, officer, director, partner, employee, consultant, shareholder or lender) own, operate, lease, engage in, conduct, have any interest in, or assist any other person or entity to engage in, any Competitive Business for one year after the date of expiration or termination by either party with or without cause (i) within 500 meters of the Authorized Location if the Restaurant is a Street Location, or (ii) within the building or venue that the Authorized Location was in if the Restaurant is a Captive-venue Location.
- 14.7 Confidentiality.** Licensee and its and Owners must comply with the confidentiality provisions of section 6.12.
- 14.8 Time Period for Bringing Claims.** Claims by Company for underreporting Gross Sales, for indemnification, or for claims related to Company's rights under the Trademarks are subject only to the applicable state or federal statute of limitation. Any other claim arising out of or relating to this agreement, the relationship of the parties, Company's operations relating to the Franchise System, or Licensee's operation of the Restaurant will be barred unless filed before the expiration of the earlier of:
- (A) The time period for bringing an action under any applicable state or federal statute of limitations;
  - (B) One year after the date upon which a party discovered, or should have discovered, the facts giving rise to an alleged claim; or
  - (C) Two years after the first act or omission giving rise to an alleged claim.

## **15. GENERAL PROVISIONS.**

- 15.1 Severability.** Should one or more clauses of this agreement be held to be void or unenforceable for any reason by any court of competent jurisdiction, such clause or clauses are deemed to be separable in such jurisdiction and the remainder of this agreement is deemed valid and in full force and effect and the terms of this agreement will be equitably adjusted so as to compensate the appropriate party for any consideration lost because of the elimination of such clause or clauses. It is the intent and expectation of each of the parties that each provision of this agreement will be honored, carried out and enforced as written. Consequently, each of the parties agrees that any provision of this agreement sought to be enforced in any proceeding hereunder shall, at the election of the party seeking enforcement and notwithstanding the availability of an adequate remedy at law, be enforced by specific performance or any other equitable remedy.
- 15.2 Waiver; Integration.** No waiver by Company of any breach by Licensee, nor any delay or failure by Company to enforce any provision of this agreement, will be deemed to be a waiver of any other or subsequent breach or be deemed an estoppel to enforce Company's rights with respect to that or any other or subsequent breach. Subject to Company's rights to modify standards and as

otherwise provided in this agreement, this agreement cannot be waived, altered or rescinded, in whole or in part, except by a writing signed by Licensee and Company. This agreement together with its addenda and the Licensee's application form submitted to Company are the sole agreement between the parties with respect to the entire subject matter of this agreement and embody all prior agreements and negotiations with respect to the Restaurant. Nothing in this agreement, its addenda, and the application form, or in any related agreement is intended to disclaim the representations Company made in the franchise disclosure document, and any representations or promises made outside these documents may not be enforceable.

**15.3 Notice.** Except as otherwise provided in this agreement, any notice, demand or communication provided for in this agreement must be in writing and signed by the party serving it and delivered personally, by a reputable overnight service or deposited in the United States mail (by registered or certified mail if it is a notice of default), service or postage prepaid, or, if notice is to a Licensee, via the email account or other form of electronic communication maintained by Licensee pursuant to Section 6.5(C) of this Agreement, to the extent permitted by law, or as otherwise provided in the Operations Manual. A notice delivered by overnight service is deemed received the day after it is given to the overnight service; a notice delivered by regular, registered or certified mail is deemed received 4 days after it is given to the United States Postal Service, or any shorter period in which the notice was actually delivered. A notice delivered by email or other form of electronic communication is deemed received on the date the notice was actually delivered. Notices will be addressed as follows:

- (A) If intended for Company, addressed to the President, American Dairy Queen Corporation, 8000 Tower, Suite 700, 8331 Norman Center Drive, Bloomington, MN 55437 U.S.A.;
- (B) If intended for Licensee, addressed to Licensee at the Authorized Location designated on the cover page. If Licensee is an entity or consists of more than one individual, then notices may be addressed to any single individual or Owner identified on the Ownership Addendum attached to this agreement. Legal notices sent to the individual or Owner will be deemed received by the Licensee; or
- (C) To another address as designated by written notice to the other party.

**15.4 Authority.** Any modification, consent, approval, authorization or waiver granted under this agreement that is required to be effective by signature will be valid only if in writing executed by an authorized signatory of Licensee's on behalf of Licensee or, if on behalf of Company, in writing executed by its President or one of its Vice Presidents.

**15.5 References.** If Licensee consists of 2 or more individuals, the individuals are jointly and severally liable, and references to Licensee in this agreement include all individuals. Headings and captions in this agreement are for convenience of

reference and should not be taken into account in construing or interpreting this agreement.

- 15.6 Guarantee.** If Licensee is a corporation, partnership or other entity, then all Owners must sign the undertaking and guarantee at the end of this agreement. Any person or entity that becomes an Owner after the date of this agreement must sign the form of undertaking and guarantee at the end of this agreement.
- 15.7 Successors; Assigns.** Subject to the terms of section 11, this agreement is binding upon and inures to the benefit of the administrators, executors, heirs, successors and assigns of the parties.
- 15.8 Interpretation of Rights and Obligations.** The following provisions apply to and govern the interpretation of this agreement, the parties' rights under this agreement, and the relationship between the parties:
- (A) **Applicable Law and Waiver.** Subject to Company's rights under federal trademark laws and the parties' rights under the Federal Arbitration Act under section 12, the parties' rights under this agreement and the relationship between the parties is governed by, and will be interpreted in accordance with, the laws (statutory and otherwise) of the state in which the Authorized Location is located. Licensee waives, to the fullest extent permitted by law, the rights and protections that might be provided through the laws of any state relating to franchises or business opportunities, other than those of the state in which the Authorized Location is located.
  - (B) **Exercise of Rights.** Whenever this agreement provides that Company has a certain right, that right is absolute and the parties intend that Company's exercise of that right will not be subject to any limitation or review. Company may operate, administrate, develop, and change the System in any manner that is not specifically precluded by the provisions of this agreement.
  - (C) **Reasonable Business Judgment.** Whenever Company reserves or is deemed to have reserved discretion in a particular area or where Company agrees or is deemed to be required to exercise its rights reasonably or in good faith, Company will satisfy its obligations whenever it exercises Reasonable Business Judgment (as defined below) in making its decision or exercising its rights. A decision or action by Company will be deemed to be the result of "Reasonable Business Judgment," even if other reasonable or even arguably preferable alternatives are available, if Company's decision or action is intended, in whole or significant part, to promote or benefit the Franchise System (or one or more components of it) generally even if the decision or action also promotes a financial or other individual interest of Company. Examples of items that will promote or benefit the Franchise System include enhancing the value of the Trademarks, improving customer service and satisfaction, improving product quality, improving

uniformity, enhancing or encouraging modernization, and improving the competitive position of the Franchise System (or one or more components of it). Neither Licensee nor any third party (including, without limitation, a trier of fact) will substitute its judgment for Company's Reasonable Business Judgment.

- 15.9 Venue.** Any cause of action, claim, suit or demand allegedly arising from or related to the terms of this agreement or the relationship of the parties that is not subject to arbitration under section 12, must be brought in the Federal District Court for the District of Minnesota or in Hennepin County District Court, Fourth Judicial District, Minneapolis, Minnesota. Both parties hereto irrevocably admit themselves to, and consent to, the jurisdiction of said courts. The provisions of this subparagraph survive the termination of this agreement. Licensee is aware of the business purposes and needs underlying the language of this subparagraph, and with a complete understanding thereof, agrees to be bound in the manner set forth.
- 15.10 Waiver of Punitive Damages.** Licensee and Company and their affiliates waive, to the fullest extent permitted by law, the right to or claim for any punitive or exemplary damages against the other and in the event of any dispute between them, each is limited to the recovery of actual damages sustained by it.
- 15.11 Relationship of the Parties.** Licensee and Company are independent contractors. Neither party is the agent, legal representative, partner, subsidiary, joint venturer or employee of the other. Neither party can obligate the other or represent any right to do so. This agreement does not reflect or create a fiduciary relationship or a relationship of special trust or confidence.
- 15.12 Force Majeure.** A failure of performance of this agreement by any party will not be deemed a breach of this agreement if it arose from a cause beyond the control of and without the negligence of the party, provided that the party uses reasonable best efforts to perform the obligations as soon as possible under the circumstances. Such causes include acts of God, lockouts, strikes, wars, riots, and acts of government.
- 15.13 Adaptations and Variances.** Complete and detailed uniformity under many varying conditions may not always be possible, practical, or in the best interest of the Franchise System. Accordingly, Company may vary the Menu and other standards, specifications, and requirements for any licensed restaurant or store or licensee based upon the customs or circumstances of a particular franchise or operating agreement, site or location, population density, business potential, trade area population, existing business practice, competitive circumstance, or any other condition that Company deems to be of importance to the operation of such restaurant or store, Licensee's business, or one or more components of the Franchise System. Company is not required to grant to Licensee a like or other variation as a result of any variation from standard menus, specifications or requirements granted to any other restaurant or store or licensee. Licensee acknowledges that it is aware that other licensees of Company operate under a number of different forms of franchise agreement or operating agreement that



were entered into at different times and that, consequently, the obligations and rights of the parties to such other agreements may differ materially in certain instances from Licensee's rights and obligations under this agreement. Company may periodically modify or rescind any requirement, standard or specification prescribed by Company under this agreement to adapt the System to changing conditions, competitive circumstances, business strategies, business practice innovations, and technological changes as Company deems appropriate.

**15.14 Notice of Potential Profit.** Company or its affiliates may make available goods, products, or services to Licensee for use in the Restaurant and may make a profit on the sale of these items. Company or its affiliates may receive and retain consideration from suppliers or manufacturers for services rendered, license rights, or sales of goods, products, or services to Licensee. The consideration may or may not be related to services performed and Company or its affiliates is entitled to these profits or consideration.

**15.15 Effective Date.** Company will fill in the "Effective Date" of this agreement in the space provided on the cover page. If no Effective Date is listed, the Effective Date is the date when this agreement has been signed by both Licensee and the President or a Vice President of Company.

**15.16 Receipt of Documents.** Licensee acknowledges that it received a franchise disclosure document at least 14 calendar days prior to the date this agreement was executed.

**15.17 Including.** Unless the context requires otherwise, the term "including" means "including but not limited to."

## **16. DEFINITIONS.**

**16.1 Assistant Manager** means an individual who personally invests his or her full time and attention and devotes his or her best efforts to the on-premises general management of the day-to-day operations of the Restaurant under the supervision of the Designated Manager, meets Company's prior restaurant or retail management experience requirements, and does not participate in the active operation or management of any business other than the Restaurant.

**16.2 Authorized Location** is the location of the Restaurant designated on the cover page to this agreement.

**16.3 Business Records** means Licensee's books and records relating to the Restaurant, and includes balance sheets, statements of profit and loss, records of prices and special sales, check registers, purchase records, sales summaries, inventories, and other detailed information about daily sales, cost of sales, and other relevant records or information.

**16.4 Captive-venue Location** means a location in a shopping mall (enclosed or open air, such as a lifestyle center) with a minimum of 500,000 square feet of gross leasable area, transportation terminals, hospitals, college and university

facilities, parks and recreation areas, office buildings and other locations that cater to high volume walking traffic.

- 16.5 Competitive Business** means a quick service restaurant that serves hamburgers but does not serve alcohol, or a restaurant or business that generates more than 10% of its revenue from sales of ice cream, yogurt, frozen custard, fruit-based beverages, soft serve or other frozen treats.
- 16.6 Computer Systems** means the computer systems, including hardware and software, or other existing or future communication or data storage or security systems that may be designated by Company, which meet Company's standards and specifications as periodically modified in response to business, operations and marketing conditions.
- 16.7 Confidential Information** means the methods, techniques, formats, marketing and promotional techniques and procedures, specifications, information, recipes, the Operations Manual, systems, costs, and knowledge of and experience in the operation and franchising of DQ® restaurants that Company communicates to Licensee or that Licensee otherwise acquires in operating the Restaurant under the System. Confidential Information does not include information, processes or techniques that are generally known to the public, other than through disclosure (whether deliberate or inadvertent) by Licensee or other individuals under an obligation to keep the information confidential.
- 16.8 Controlling Owner** means the Owner who actively directs Licensee's business affairs relating to the Restaurant and is responsible for overseeing the general management of the day-to-day operations of the Restaurant.
- 16.9 Designated Manager** means an individual who personally invests his or her full time and attention and devotes his or her best efforts to the on-premises general management of the day-to-day operations of the Restaurant, meets Company's prior restaurant or retail management experience requirements, and does not participate in the active operation or management of any business other than the Restaurant.
- 16.10 EPOS System** means an electronic point-of-sale cash register system including hardware, software, payment processing and security components that meets the standards and specifications established by Company, as modified periodically in response to business, operations and marketing conditions.
- 16.11 Franchise System** means the franchised network of DQ® restaurants and stores, regardless of the concept or type of location, which operate under one or more of the Trademarks.
- 16.12 Gross Sales** means the total revenues and receipts from the sale of all products sold by the Restaurant, whether paid for by cash, credit (not adjusted for credit card fees) or gift card, barter, or otherwise, including sales of all products under any of the Trademarks as well as sales of other products, services and

merchandise, whether or not identified by other brand names, and excluding sales taxes and revenues and receipts arising directly from Licensee's sale of gift cards.

**16.13 Menu** means the menus designated by Company in the Operations Manual or otherwise in writing.

**16.14 Operations Manual** means Company's most current operations materials, which may include system standards and other manuals, resource guides, system bulletins, handbooks, product preparation materials, brand guidelines, and other written materials relating to the Restaurant, System, or Franchise System.

**16.15 Owner** means any person or entity who directly or indirectly owns an interest in Licensee. An Owner includes each shareholder, member, or owner of a corporation, limited liability company or other entity; each general partner of a partnership and, if a general partner is an entity, each owner of an interest in the general partner; and each grantor, settlor, beneficiary, trustee or other trust fiduciary of a trust. If the Licensee is more than one individual, each individual is an Owner. The Owners are identified on the Ownership Addendum attached to this agreement.

**16.16 Powders** means the Orange Julius® Flavor Enhancer powder and all other proprietary powders and products used in the preparation of Orange Julius® trademarked drinks.

**16.17 Principal Owner** means any Owner who directly or indirectly owns a 10% or greater interest in Licensee.

**16.18 Restaurant** means Licensee's business and the DQ® Treat restaurant developed and operated under this agreement at the Authorized Location using System and the Trademarks.

**16.19 Street Location** means a location in a freestanding building, streetscape location, or strip mall with less than 500,000 square feet of gross leasable area.

**16.20 System** means the DQ® system which consists of the sale of distinctive dairy products, beverages, food products and other products and services under the Trademarks using distinctive facilities, equipment (including the EPOS System and Computer Systems), supplies, ingredients, secret and proprietary formulas, business techniques, methods, procedures, standards, specifications, and Operations Manual, together with sales promotion programs, as may be modified and improved periodically by Company.

**16.21 Trademarks** means the trademarks, trade names and commercial symbols designated by Company in the Operations Manual or otherwise in writing, which may be modified periodically by Company.

LICENSEE:

COMPANY:

**American Dairy Queen Corporation**

Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

## UNDERTAKING AND GUARANTEE

**NOTE: If Licensee is a corporation or other business entity, each of the Owners must sign this undertaking and guarantee as an individual and not as an Owner or officer of the entity.**

In consideration of the execution of the operating agreement by Company, and for other good and valuable consideration, each of the signatories below, for themselves, their heirs, legal representatives, successors and assigns (collectively the "Guarantors") jointly, individually and severally guarantee the full and timely performance by Licensee of each and every obligation of Licensee arising under the operating agreement, and agrees to be personally bound by, and personally liable for the breach of each and every provision in the operating agreement, including the payment of all amounts and the performance of all covenants, terms and conditions required under the operating agreement.

The Guarantors, individually, jointly and severally, agree to be personally bound by each and every condition and term in the operating agreement as though each of the Guarantors had executed an operating agreement with the identical terms and conditions of the operating agreement, including the dispute resolution and jury trial waiver provisions, and any amendments, extensions, or other modifications to the operating agreement.

Each of the Guarantors waives: (i) notice of demand for payment of any indebtedness or nonperformance of any obligations guaranteed; (ii) protest and notice of default to any party respecting the indebtedness or nonperformance of any obligations guaranteed; or (iii) any right that the Guarantors may have to require Company, as a condition of liability or otherwise, to proceed against any other person or to proceed against or exhaust any security held by Company at any time or to pursue any right of action accruing to Company under the operating agreement. Company may either proceed against the Guarantors and Licensee, jointly and severally, or proceed against any of the Guarantors without having commenced any action, or having obtained any arbitration award or judgment, against Licensee.

The Guarantors individually, jointly and severally agree to pay all attorneys' fees and costs and other expenses incurred in connection with the enforcement of this Guarantee or with any negotiations related to such enforcement.

The Guarantors individually and collectively agree that each and every provision, covenant, and condition of this Guarantee inure to the benefit of Company's successors and assigns and that any liability or obligations arising under this Guarantee are not diminished or relieved by the insolvency, bankruptcy, or reorganization of Licensee or of Licensee's successors and assigns.

Print Name: \_\_\_\_\_ Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_ Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_ Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_ Signature: \_\_\_\_\_

## OWNERSHIP ADDENDUM

1. **Owners.** The Owners are:

| Name | Percent Interest | Owner of: |
|------|------------------|-----------|
|      |                  |           |
|      |                  |           |
|      |                  |           |
|      |                  |           |
|      |                  |           |

2. **Change.** Licensee must immediately notify Company in writing of any change in the information in this addendum and, at Company's request, prepare and sign a new addendum with the correct information.
3. **Defined Terms.** All capitalized terms used in this addendum but not defined have the same meanings as given to them in the operating agreement.
4. **Effective Date.** This addendum is effective as of the Effective Date of the operating agreement.

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Licensee's Initials

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American Dairy Queen Corporation's  
Initials

Store #: \_\_\_\_\_  
Authorized Location: \_\_\_\_\_  
\_\_\_\_\_

### **RELOCATION ADDENDUM TO OPERATING AGREEMENT**

This Addendum to DQ® Treat operating agreement ("Agreement") is between American Dairy Queen Corporation ("Company") and \_\_\_\_\_ ("Licensee").

Company and Licensee are entering into the Agreement on the same date as this addendum and want to modify the Agreement as follows.

1. **Initial Franchise Fee.** Section 9.1 of the Agreement is deleted. Licensee does not have to pay Company an initial franchise fee.
2. **Continuing License Fee.** Section 9.2 of the Agreement is deleted and replaced with the following:

Licensee must pay to Company monthly a continuing license fee of:

- (A) for years 1 through 5 of the term of the Agreement, \_\_\_\_% of Gross Sales; *[complete with Licensee's existing contractual rate, if less than 5%]*
- (B) for years 6 through 10 of the term of the Agreement, \_\_\_\_% of Gross Sales; and *[complete with the mid-way point between (A) and 5%]*
- (C) for years 11 through the remaining term of the Agreement, 5% of Gross Sales.

3. **Sales Promotion Program Fee.** Section 9.3(A)(2) is deleted and replaced with the following:

For all other products:

- (a) for years 1 through 5 of the term of the Agreement, \_\_\_\_% of Gross Sales; *[complete with the rate in existing contract but not less than 3.5% of Gross Sales]*
- (b) for years 6 through 10 of the term of the Agreement, \_\_\_\_% of Gross Sales; *[complete with the rate in existing contract but not less than 4.0% of Gross Sales]*
- (c) for years 11 through the remaining term of the Agreement, 5% - 6% of Gross Sales.

4. **Defined Terms.** All defined terms used in this addendum but not defined have the same meaning given them in the Agreement.
5. **Construction.** In all other respects, the terms and conditions of the Agreement remain in effect as written.

6. **Effective Date.** This addendum is effective on the Effective Date of the Agreement and terminates upon the earlier of the transfer or termination of the Agreement.

**Licensee:**

\_\_\_\_\_

Signature:\_\_\_\_\_

Print Name:\_\_\_\_\_

Title:\_\_\_\_\_

Date:\_\_\_\_\_

**Company:**

American Dairy Queen Corporation

Signature:\_\_\_\_\_

Print Name:\_\_\_\_\_

Title:\_\_\_\_\_

Date:\_\_\_\_\_



Store #: \_\_\_\_\_  
Authorized Location: \_\_\_\_\_  
\_\_\_\_\_

**RENEWAL ADDENDUM  
TO DQ® TREAT OPERATING AGREEMENT**

This Addendum to DQ® treat operating agreement (“Agreement”) is between American Dairy Queen Corporation (“Company”) and \_\_\_\_\_ (“Licensee”).

**Background**

- Company and Licensee signed a franchise agreement dated \_\_\_\_\_ that expires on \_\_\_\_\_ (“Expired Agreement”).
- Licensee wants to renew the franchise for the Authorized Location under the Agreement, except that Company and Licensee want to modify the Agreement.

Therefore, the parties agree as follows.

1. **Modernization Date.** Licensee must complete the modernization required under the Expired Agreement by the earlier of \_\_\_\_\_ or any transfer under the Agreement. This paragraph 1 does not change the modernization requirements under the Agreement.
2. **Training.** Licensee must be in compliance with the Expired Agreement’s training requirements, and is not required to comply with any further training under section 7.1 upon signing the Agreement. Sections 7.2 – 7.8 are not affected by this addendum.
3. **Term.** Section 4.1 of the Agreement is modified to provide as follows:

The term of this Agreement starts on the Effective Date and, unless earlier terminated under section 13, runs for the remaining term of Licensee’s lease, as designated on the cover page of the Agreement.
4. ***[If Licensee has an unapproved EPOS system, add: POS.]*** Licensee must replace the existing unapproved EPOS system with the ADQ-approved Integrated Technology Platform/Par Brink EPOS system (“ITP System”) by [insert required installation date.]
5. **Initial Franchise Fee.** Section 9.1 of the Agreement is deleted. Instead, Licensee must pay the renewal fee specified in the Expired Agreement in the amount of \$\_\_\_\_\_.
6. **Financial Performance Representation.** The information in Item 19 of the franchise disclosure document has information relating to franchised DQ® Treat stores that were developed under ADQ's new store development programs and does not apply to Licensee’s Authorized Location. Licensee acknowledges that the financial results at the Authorized Location will differ from the information in Item 19.

7. **Defined Terms.** All defined terms used in this addendum but not defined have the same meaning given them in the Agreement.
8. **Construction.** In all other respects, the terms and conditions of the Agreement remain in effect as written.
9. **Effective Date.** This addendum is effective on the Effective Date of the Agreement and is effective for the term of the Agreement.

**LICENSEE:**

Signature:\_\_\_\_\_

Print Name:\_\_\_\_\_

Title:\_\_\_\_\_

Date:\_\_\_\_\_

**COMPANY:**

AMERICAN DAIRY QUEEN  
CORPORATION

Signature:\_\_\_\_\_

Print Name:\_\_\_\_\_

Title:\_\_\_\_\_

Date:\_\_\_\_\_

ADDENDUM TO  
OPERATING AGREEMENT FOR THE  
STATE OF ILLINOIS

This Addendum will pertain to franchises sold in the State of Illinois and will be for the purpose of complying with Illinois statutes and regulations. Notwithstanding anything which may be contained in the body of the Operating Agreement to the contrary, the Agreement will be amended to include the following:

1. The third sentence in subparagraph 15.2 of the Agreement is deleted. Section 41 of the Illinois Franchise Disclosure Act states that “any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act is void.”

2. Subparagraph 15.2 of the Agreement shall not be construed to mean that Licensee may not rely on representations in the Franchise Disclosure Document that Company provided to Licensee in connection with the offer and purchase of the license granted under this Agreement. Although the statements in the Disclosure Document do not become part of the Agreement, nothing in the Disclosure Document may contradict or be inconsistent with the contract terms.

3. Subparagraph 15.8(A) of the Agreement is deleted and replaced with the following:

1. Applicable Law. Subject to Company’s rights under federal trademark laws and the parties’ rights under the Federal Arbitration Act in accordance with Paragraph 12 of this Agreement, the parties’ rights under this Agreement, and the relationship between the parties is governed by, and will be interpreted in accordance with, the laws (statutory or otherwise) of the state in which the Authorized Location is located.

4. Subparagraph 15.9 of the Agreement is deleted.

5. Subparagraph 15.16 of the Agreement is deleted.

6. Illinois Franchise Disclosure Act paragraphs 705/19 and 705/20 provide rights to Licensee concerning nonrenewal and termination of this Agreement. If the Operating Agreement contains a provision that is inconsistent with the Act, the Act shall control.

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Licensee’s Initials

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American Dairy Queen Corporation’s  
Initials

ADDENDUM TO  
OPERATING AGREEMENT FOR THE  
STATE OF MARYLAND

This Addendum will pertain to franchises sold in the State of Maryland and will be for the purpose of complying with Maryland statutes and regulations. Notwithstanding anything that may be contained in the body of the Operating Agreement to the contrary, the following will apply to franchises offered and sold under the laws of the State of Maryland:

1. Company's termination of the Operating Agreement because of your bankruptcy may not be enforceable under applicable federal law (11 U.S.C.A. 101 et seq.)
2. Any claims under the Maryland Franchise Registration and Disclosure Law may be brought in the State of Maryland.
3. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the franchise is granted.
4. The general release required as a condition of renewal, sale and/or assignment or transfer will not apply to any liability under the Maryland Franchise Registration and Disclosure Law.
5. 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.
6. All initial fees and payments owed by franchisee shall be deferred until the franchisor completes its pre-opening obligations under the operating agreement and the outlet is opened.

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Licensee's Initials

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American Dairy Queen Corporation's  
Initials

ADDENDUM TO  
OPERATING AGREEMENT FOR THE  
STATE OF MINNESOTA

This Addendum will pertain to franchises sold in the State of Minnesota and will be for the purpose of complying with Minnesota statutes and regulations. Notwithstanding anything which may be contained in the body of the Operating Agreement to the contrary, the Agreement will be amended as follows:

1. Company or its affiliate will undertake the defense of any claim of infringement by third parties involving the Dairy Queen® trademark and Licensee will cooperate with the defense in any reasonable manner prescribed by Company with any direct costs of such cooperation to be borne by Company.

2. Minnesota law provides licensees with certain termination and nonrenewal rights. As of the date of this Agreement, Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 require, except in certain specified cases, that a licensee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for nonrenewal of the Operating Agreement.

3. Licensee will not be required to assent to a release, assignment, novation, or waiver that would relieve any person from liability imposed by Minn. Stat. Sec. 80C.01 – 80C.22.

4. The Operating Agreement contains a waiver of jury trial provision. This provision may not be enforceable under Minnesota law.

5. Licensee consents to the Company seeking injunctive relief without the necessity of showing actual or threatened harm. A court shall determine if a bond or other security is required.

6. The Operating Agreement contains a liquidated damages provision. This provision may not be enforceable under Minnesota law.

7. Any action pursuant to Minn. Stat. Sec. 80C.17, Subd. 5 must be commenced no more than 3 years after the cause of action accrues.

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.

Licensee's Initials

American Dairy Queen Corporation's  
Initials

ADDENDUM TO  
OPERATING AGREEMENT FOR THE  
STATE OF NORTH DAKOTA

This Addendum will pertain to franchises sold in the State of North Dakota and will be for the purpose of complying with North Dakota statutes and regulations.

1. Notwithstanding anything contained in subparagraph 12.1(D) of the Operating Agreement, any arbitration proceeding shall take place in the city nearest to the Authorized Location in which the American Arbitration Association shall maintain an office and facility for arbitration, or at such other location as may be mutually agreed upon by the parties.

2. Notwithstanding anything contained in subparagraph 14.6 of the Operating Agreement, covenants not to compete during the term of and upon termination or expiration of the Operating Agreement are enforceable only under certain conditions according to North Dakota law. If the Operating Agreement contains a covenant not to compete that is inconsistent with North Dakota law, the covenant may be unenforceable.

3. Any release executed in connection with a renewal shall not apply to any claims that may arise under the North Dakota Franchise Investment Law.

4. The choice of law other than the State of North Dakota may not be enforceable under the North Dakota Franchise Investment Law. If the laws of a state other than North Dakota govern, to the extent that such law conflicts with North Dakota law, North Dakota law will control.

5. The waiver of punitive or exemplary damages may not be enforceable under the North Dakota Franchise Investment Law.

6. The waiver of trial by jury may not be enforceable under the North Dakota Franchise Investment Law.

7. The requirement that a franchisee consent to termination or liquidated damages has been determined by the Commissioner to be unfair, unjust and inequitable within the intent of the North Dakota Franchise Investment Law. This requirement may not be enforceable under North Dakota law.

8. The Operating Agreement states that Licensee must consent to the jurisdiction of courts located outside the State of North Dakota. This requirement may not be enforceable under North Dakota law.

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Licensee's Initials

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American Dairy Queen Corporation's  
Initials

ADDENDUM TO  
OPERATING AGREEMENT FOR THE  
STATE OF WASHINGTON

This Addendum will pertain to franchises sold in the State of Washington and will be for the purpose of complying with the Washington Franchise Investment Protection Act.

1. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

2. RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including in the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

3. 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.

4. 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.

5. A release or waiver of rights executed by a licensee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

6. Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

7. 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 provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.



8. 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.

The undersigned does hereby acknowledge receipt of this addendum.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_\_.

\_\_\_\_\_  
Licensee's Initials

\_\_\_\_\_  
American Dairy Queen Corporation's  
Initials

## SAMPLE RELEASE

This Release (“Release”) is entered into on \_\_\_\_\_, 20\_\_, between American Dairy Queen Corporation (“Company”) and \_\_\_\_\_ (“Licensee”).

A. Company and Licensee entered into a DQ® Operating Agreement dated \_\_\_\_\_, and any amendments and addenda thereto (collectively, the “Operating Agreement”).

B. Licensee desires to transfer the Operating Agreement, and the terms of the Operating Agreement require Licensee, pursuant to the transfer, to release Company and its affiliates from all claims arising out of or relating to this Agreement, Licensee’s DQ® location, or the parties’ business relationship.

In consideration of the covenants and promises contained in this Release, the parties agree as follows:

1. **Consideration.** *[Describe any consideration paid.]*
2. *[Explain any other terms or conditions of the release.]*
3. **Release of Claims by Licensee.** In consideration of the terms and conditions of this Release, the receipt and sufficiency of which is hereby acknowledged, Licensee, its heirs, successors and assigns, affiliates, directors, officers, shareholders, and any other party claiming an interest through them (the “Licensee Parties”), release and forever discharge the Company, its predecessors, successors, assigns, affiliates, directors, officers, shareholders, and employees (the “Company Parties”) from any and all claims, debts, liabilities, demands, obligations, costs, expenses, actions and causes of action, whether known or unknown, vested or contingent, which Licensee Parties may now or in the future own or hold, that in any way relate to the Operating Agreement (collectively, “Claims”), for known or unknown damages or other losses including, any alleged violations of any deceptive or unfair trade practices laws, franchise laws, or other local, municipal, state, federal, or other laws, statutes, rules or regulations, or any alleged violations of the Operating Agreement or any other related agreement between Licensee and Company.

The Licensee Parties do not release the Company Parties from any obligations arising under this Release. The Licensee Parties and the Company Parties acknowledge that the release set forth in this Section does not release Company Parties from any liability under the Maryland Franchise Registration and Disclosure Law.

4. **Acknowledgment.** The release of Claims set forth in Section 3 is intended to be a full and unconditional general release, as that phrase is used and commonly interpreted, extending to all claims of any nature, whether or not known, expected or anticipated to exist regardless of whether any unknown, unsuspected or unanticipated claim would materially affect settlement and compromise of any matter mentioned herein. In making this voluntary express waiver, the Licensee Parties acknowledge that claims or facts in addition to or different from those which are now known to exist with respect to the matters mentioned herein may later be discovered and that it is the Licensee Parties intention to hereby fully and forever settle and release any and all matters, regardless of the possibility of later discovered claims or facts. This Release is and shall be and remain a full,

complete and unconditional general release. The Parties further acknowledge and agree that no violation of this Release shall void the releases in this Release.

6. **Entire Agreement.** This Release constitutes the entire agreement between the parties relative to the subject matter contained herein, and all prior understandings, representations and agreements made by and between the parties relative to the contents contained in this Release are merged into this Release.

7. **No Admission of Liability.** It is specifically understood that by reason of agreeing to this Release, the parties hereby released admit no liability of any sort and have made no representations as to liability, and it is further expressly understood and agreed that this Release shall not be construed as an admission of liability on the part of the parties or anyone else. This Release is freely and voluntarily executed by the undersigned, without any duress or coercion, and after they have carefully and completely read all of the terms and provisions of this Release and have had an opportunity to review the same with counsel.

8. **Governing Law and Jurisdiction.** This Release will be construed and enforced in accordance with the law of the state of \_\_\_\_\_. The parties agree that any disputes hereunder which are submitted to a judicial forum shall be subject to the jurisdiction and venue of the state or federal courts of \_\_\_\_\_.

9. **Attorneys' Fees.** All rights and remedies under this Release shall be cumulative and none shall exclude any other right or remedy allowed by law. In the event of a breach of this Release that requires one of the parties to enforce the terms and conditions of this Release, the non-prevailing party shall pay the prevailing party's attorneys' fees and costs incurred by reason of the breach.

10. **Effectiveness.** This Release is not effective until signed by all parties.

**LICENSEE:**

***[INSERT LICENSEE'S NAME]***

Signature: \_\_\_\_\_

Date \_\_\_\_\_, 20\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

**COMPANY:**

**AMERICAN DAIRY QUEEN CORPORATION**

Signature: \_\_\_\_\_

Date \_\_\_\_\_, 20\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

## **EXHIBIT C**

### Conversion Addenda

Store #: \_\_\_\_\_  
Authorized Location: \_\_\_\_\_  
\_\_\_\_\_

**CONVERSION ADDENDUM  
TO DQ® TREAT OPERATING AGREEMENT**

(For use with existing non-system food operators converting to DQ® Treat)

This Addendum to DQ® Treat operating agreement (“Agreement”) is between American Dairy Queen Corporation (“Company”) and \_\_\_\_\_ (“Licensee”).

Company and Licensee are entering into the Agreement on the same date as this addendum and want to modify the Agreement as follows:

1. Section 2.3(A) of the Agreement is amended to include the following language at the end of the paragraph:

except that Company agrees that, so long as the Agreement remains in effect, it will not operate or issue a license for any other party to operate a competing business using the Trademarks within the areas described as ***[complete with the protected territory description from the existing franchise agreement.]***

2. **Initial Franchise Fee.** Section 9.1 of the Agreement is deleted. Licensee is not required to pay an initial franchise fee to Company.
3. **Continuing License Fee.** Section 9.2 of the Agreement is deleted and replaced with the following:

Licensee must pay to Company monthly a continuing license fee of:

(A) for DQ® soft-serve products, ***[Complete with Licensee’s contractual language from the existing franchise agreement];*** and

(B) for Food Menu products, Licensee pays no continuing license fee for the first partial month and the next 36 consecutive months after the Effective Date. Starting with the 37th full month, Licensee must pay a monthly continuing license fee to Company of 5% of Food Sales minus Base Food Sales.

(C) For purposes of this Section 9.2 and Section 9.3, the following definitions apply:

- i. “Base Food Sales” equals the highest Food Sales achieved during any consecutive full 12 month period occurring between months 1 – 36 after the Effective Date.
- ii. “Food Menu” means all food and beverage products on the Menu, other than products made with soft-serve as an ingredient, regardless of any prior practice.
- iii. “Food Sales” means the total revenues and receipts from the sale of Food Menu products sold by the Store, whether paid for by cash, credit (not adjusted for credit card or other fees) or gift card, barter, or otherwise,

excluding sales taxes and revenues and receipts arising directly from Licensee's sale of gift cards.

4. **Sales Promotion Program Fee.** Section 9.3 of the Agreement is deleted and replaced with the following:

Licensee must pay to Company monthly a sales promotion program fee of ***[insert the percentage rate that is the greater of 2.5% or the rate from the existing franchise agreement]*** of Gross Sales.

5. **Defined Terms.** All defined terms used in this addendum but not defined have the same meaning given them in the Agreement.
6. **Construction.** In all other respects, the terms and conditions of the Agreement remain in effect as written.
7. **Effective Date.** This addendum is effective on the Effective Date of the Agreement and terminates upon the earlier of the transfer or termination of the Agreement.

**LICENSEE:**

Signature: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**COMPANY:**

AMERICAN DAIRY QUEEN CORPORATION

Signature: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

Store #: \_\_\_\_\_  
Authorized Location: \_\_\_\_\_  
\_\_\_\_\_

**CONVERSION ADDENDUM  
TO DQ® TREAT OPERATING AGREEMENT**

(For use with existing soft-serve only operators converting to DQ® Treat)

This Addendum to DQ® Treat operating agreement (“Agreement”) is between American Dairy Queen Corporation (“Company”) and \_\_\_\_\_ (“Licensee”).

Company and Licensee are entering into the Agreement on the same date as this addendum and want to modify the Agreement as follows:

1. Section 2.3(A) of the Agreement is amended to include the following language at the end of the paragraph:

except that Company agrees that, so long as the Agreement remains in effect, it will not operate or issue a license for any other party to operate a competing business using the Trademarks within the areas described as ***[complete with the protected territory description from the existing franchise agreement.]***

2. **Initial Franchise Fee.** Section 9.1 of the Agreement is deleted. Licensee is not required to pay an initial franchise fee to Company.
3. **Continuing License Fee.** Section 9.2 of the Agreement is deleted and replaced with the following:

Licensee must pay to Company monthly a continuing license fee of:

(A) for DQ® soft-serve products, ***[Complete with Licensee’s contractual language from the existing franchise agreement];*** and

(B) for all other products, 5% of Gross Sales.

4. **Sales Promotion Program Fee.** Section 9.3 of the Agreement is deleted and replaced with the following:

Licensee must pay to Company monthly a sales promotion program fee equal to 3% of Gross Sales.

5. **Defined Terms.** All defined terms used in this addendum but not defined have the same meaning given them in the Agreement.
6. **Construction.** In all other respects, the terms and conditions of the Agreement remain in effect as written.

7. **Effective Date.** This addendum is effective on the Effective Date of the Agreement and terminates upon the earlier of the transfer or termination of the Agreement.

**LICENSEE:**

Signature:\_\_\_\_\_

Print Name:\_\_\_\_\_

Title:\_\_\_\_\_

Date:\_\_\_\_\_

**COMPANY:**

AMERICAN DAIRY QUEEN CORPORATION

Signature:\_\_\_\_\_

Print Name:\_\_\_\_\_

Title:\_\_\_\_\_

Date:\_\_\_\_\_



**EXHIBIT D**

Franchise Application



## **Application for *DQ*® Franchise**

American Dairy Queen Corporation

### **2025-2026 Franchise Programs**

***Important Reminder:***

**You must sign and date a Franchise Disclosure Document (FDD) receipt at least 16 days before you return this application along with the initial franchise fee deposit and check.**

**Please mail the completed application and attachments to the following email address:**

[Samantha.kroghus@idq.com](mailto:Samantha.kroghus@idq.com)

## FRANCHISE APPLICATION PROCEDURE

American Dairy Queen Corporation ("Company") would like to take this opportunity to thank you for your application for a new franchise. It is important to remember that this is an APPLICATION ONLY which must be reviewed and approved through Company's Development Review Committee (DRC) before any franchise rights are awarded to you. The DRC review includes the following:

### Applicant Qualification

Company review of the franchise application, including applicants' personal and financial background, proposed ownership structure and management structure, and discovery day at Company's Franchisee Support Center in Minneapolis, MN or other in-person meetings.

### Financial Qualification

Minimum requirements for liquid assets and the amount of equity to be invested in the development of a single, new location are:

|  | Liquid Assets | Equity In Project |
|--|---------------|-------------------|
| <i>DQ Grill &amp; Chill</i> ® & <i>DQ</i> ® Texas Restaurant | \$400,000     | \$300,000         |
| <i>DQ</i> ® Treat  | \$175,000     | \$125,000         |

The actual equity necessary for a project may be greater depending upon lender requirements, actual cost of applicant's project, etc.

### Trade Area Review & Site Qualification

Review of applicants' proposed trade area and site.

You will be notified in writing of the successful completion of your review process and any conditions to that approval and consent.

### IMPORTANT:

You are not awarded a franchise and have no license rights unless and until you are in receipt of an Operating Agreement signed by a Vice President of Company. This Application or any other document or verbal advice is not to be construed as, and is not, an Operating Agreement or the grant of a franchise or license rights. Do not make any financial or contractual commitments or incur any expenses relative to this Application until you have received written notification that your Application has been approved and you have received Company's consent. If circumstances warrant, any options or lease proposals should be drafted contingent on Company's approval and consent. Any expenses you incur prior to execution of an Operating Agreement are done at your own risk.

NO ADDITIONS, DELETIONS, OR CHANGES TO THIS FRANCHISE APPLICATION PROCEDURE ARE ACCEPTABLE UNLESS INITIALED BY BOTH THE APPLICANT(S) AND AN OFFICER OF COMPANY.

## SECTION I GENERAL INFORMATION

1. Please indicate the type of franchise you are applying for:  
☐ DQ Grill & Chill Restaurant      ☐ DQ Treat Store      ☐ DQ Texas Restaurant
2. Please indicate your preferred location for the franchise: \_\_\_\_\_
3. If you are granted a franchise, when will you be able to commence operations?  
\_\_\_\_\_
4. Is this application part of a multi-unit development agreement? ☐ Yes ☐ No

### **INSTRUCTIONS**

1. If you are applying for a franchise on behalf of a corporation, limited liability company, partnership or other business entity, you must complete all sections of this application and you must submit with your application copies of the following:
  - a) For a corporation, the articles of incorporation, by-laws or shareholders agreement, or other documentation evidencing that the corporation has been duly formed and its ownership structure.
  - b) For a limited liability company, the articles of organization, operating agreement, or other documentation evidencing that the company has been duly formed and its ownership structure.
  - c) For a partnership, the partnership agreement.
2. If you are applying to hold the franchise as an individual, you must complete all sections of this application, except for Section II.
3. Please be advised that, when forming a corporation, limited liability company, legal partnership or operating company, you must not use DQ Grill & Chill®, Dairy Queen®, DQ®, Blizzard® Orange Julius®, or any other trademarks of IDQ Companies or its subsidiaries in your business name, as it constitutes an improper use of our trademarks and avoids the cost of having to change the name at a later date.

## SECTION II BUSINESS ENTITY INFORMATION (to be completed if applying on behalf of a business entity)

If you are applying on behalf of, and desire to hold a franchise through, a business entity (corporation, limited liability company or partnership), you must complete this Section II on behalf of the business entity, and each shareholder, member or partner must complete Section III of this Application. All shareholders, members or partners, as the case may be, must be bound by a buy-out agreement with respect to their interest in the franchise or franchisee entity.

If you desire to hold a franchise through a business entity that has yet to be formed, you should include in Section III all individuals that will have an ownership interest in the future business entity. If your application is approved, we will prepare the Operating Agreement in the names of the individual

applicants but will allow an assignment to the business entity (once it is formed and approved by Company), without payment of any additional fee, prior to opening.

1. Business Entity Legal Name (as stated on your corporate/partnership documents): \_\_\_\_\_

**Please note:** You cannot use any Company trademarks as part of your business entity name including DQ®, Dairy Queen®, DQ Grill & Chill®, Orange Julius®, or Blizzard®. If you do so, you will be required to change the business entity name.

2. Type of business entity: \_\_\_\_\_

3. Is the business entity currently existing or yet to be formed? \_\_\_\_\_

**Primary Shareholders/Members/Partners:**

| <i>First Name</i> | <i>M.I.</i> | <i>Last Name</i> | <i>Address</i> | <i>%<br/>Ownership</i> | <i>Title</i> |
|-------------------|-------------|------------------|----------------|------------------------|--------------|
|                   |             |                  |                |                        |              |
|                   |             |                  |                |                        |              |
|                   |             |                  |                |                        |              |
|                   |             |                  |                |                        |              |
|                   |             |                  |                |                        |              |
|                   |             |                  |                |                        |              |

**Designate a single individual authorized to receive legal notices under the operating agreement if your Application is approved. Legal notices sent to the designated individual are deemed received by the Licensee:**

| <i>First Name</i> | <i>M.I.</i> | <i>Last Name</i> | <i>Title</i> | <i>Email Address</i> |
|-------------------|-------------|------------------|--------------|----------------------|
|                   |             |                  |              |                      |

**Please identify the designated Operating Partner:**

| <i>First Name</i> | <i>M.I.</i> | <i>Last Name</i> | <i>Address</i> | <i>% Ownership</i> | <i>Title</i> |
|-------------------|-------------|------------------|----------------|--------------------|--------------|
|                   |             |                  |                |                    |              |

**SECTION III**  
**PERSONAL INFORMATION**  
(to be completed by each individual applicant  
or each owner of an applicant business entity)

1. Applicants:

| APPLICANT A  |                    |                  |
|--|--------------------|------------------|
| LEGAL FIRST NAME:  | LEGAL MIDDLE NAME: | LEGAL LAST NAME: |
|  |                    |                  |
| Salutation: <input type="checkbox"/> Mr. <input type="checkbox"/> Mrs. <input type="checkbox"/> Ms.  |                    |                  |
| OTHER NAMES USED   |                    |                  |
| SPOUSE NAME  |                    |                  |
| E-MAIL   | DAY PHONE          | CELL             |
| CURRENT HOME ADDRESS   |                    |                  |
| CITY   | STATE              | ZIP              |
| Are you an existing <i>DQ</i> or <i>Orange Julius</i> franchisee? <input type="checkbox"/> Yes <input type="checkbox"/> No<br>If Yes,   Restaurant #: _____      Location: _____ |                    |                  |
| <b>DESCRIPTION OF EXISTING BUSINESS (IF APPLICABLE)</b>  |                    |                  |
| BUSINESS NAME  |                    |                  |
| BUSINESS ADDRESS   |                    |                  |
| NO. OF EMPLOYEES   | IN BUSINESS SINCE  | TYPE OF BUSINESS |

| APPLICANT B  |                    |                  |
|--|--------------------|------------------|
| LEGAL FIRST NAME:  | LEGAL MIDDLE NAME: | LEGAL LAST NAME: |
|  |                    |                  |
| Salutation: <input type="checkbox"/> Mr. <input type="checkbox"/> Mrs. <input type="checkbox"/> Ms.  |                    |                  |
| OTHER NAMES USED   |                    |                  |
| SPOUSE NAME  |                    |                  |
| E-MAIL   | DAY PHONE          | CELL             |
| CURRENT HOME ADDRESS   |                    |                  |
| CITY   | STATE              | ZIP              |
| Are you an existing <i>DQ</i> or <i>Orange Julius</i> franchisee? <input type="checkbox"/> Yes <input type="checkbox"/> No<br>If Yes,   Restaurant #: _____      Location: _____ |                    |                  |
| <b>DESCRIPTION OF EXISTING BUSINESS (IF APPLICABLE)</b>  |                    |                  |
| BUSINESS NAME  |                    |                  |
| BUSINESS ADDRESS   |                    |                  |
| NO. OF EMPLOYEES   | IN BUSINESS SINCE  | TYPE OF BUSINESS |

## APPLICANT C

|  |                    |                  |
|--|--------------------|------------------|
| LEGAL FIRST NAME:  | LEGAL MIDDLE NAME: | LEGAL LAST NAME: |
|  |                    |                  |
| Salutation: <input type="checkbox"/> Mr. <input type="checkbox"/> Mrs. <input type="checkbox"/> Ms.                        |                    |                  |
| OTHER NAMES USED   |                    |                  |
| SPOUSE NAME  |                    |                  |
| E-MAIL   | DAY PHONE          | CELL             |
| CURRENT HOME ADDRESS   |                    |                  |
| CITY   | STATE              | ZIP              |
| Are you an existing <i>DQ</i> or <i>Orange Julius</i> franchisee? <input type="checkbox"/> Yes <input type="checkbox"/> No |                    |                  |
| If Yes,   Restaurant #: _____   Location: _____  |                    |                  |
| <b>DESCRIPTION OF EXISTING BUSINESS (IF APPLICABLE)</b>  |                    |                  |
| BUSINESS NAME  |                    |                  |
| BUSINESS ADDRESS   |                    |                  |
| NO. OF EMPLOYEES   | IN BUSINESS SINCE  | TYPE OF BUSINESS |

## APPLICANT D

|  |                    |                  |
|--|--------------------|------------------|
| LEGAL FIRST NAME:  | LEGAL MIDDLE NAME: | LEGAL LAST NAME: |
|  |                    |                  |
| Salutation: <input type="checkbox"/> Mr. <input type="checkbox"/> Mrs. <input type="checkbox"/> Ms.                        |                    |                  |
| OTHER NAMES USED   |                    |                  |
| SPOUSE NAME  |                    |                  |
| E-MAIL   | DAY PHONE          | CELL             |
| CURRENT HOME ADDRESS   |                    |                  |
| CITY   | STATE              | ZIP              |
| Are you an existing <i>DQ</i> or <i>Orange Julius</i> franchisee? <input type="checkbox"/> Yes <input type="checkbox"/> No |                    |                  |
| If Yes,   Restaurant #: _____   Location: _____  |                    |                  |
| <b>DESCRIPTION OF EXISTING BUSINESS (IF APPLICABLE)</b>  |                    |                  |
| BUSINESS NAME  |                    |                  |
| BUSINESS ADDRESS   |                    |                  |
| NO. OF EMPLOYEES   | IN BUSINESS SINCE  | TYPE OF BUSINESS |
|  |                    |                  |

2. To what mailing address should correspondence should be sent?

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3. Are all applicants identified in Section 1 citizens of the United States? ☐ Yes ☐ No

If you answered "No," which applicant(s) is/are not? \_\_\_\_\_

Are they authorized to reside or work in the United States? ☐ Yes ☐ No

If authorized to reside or work in U.S., does that authorization expire?

☐ Yes ☐ No

If "Yes," Expiration Date: \_\_\_\_\_

If "No," please write your immigration status here (e.g. permanent resident [green card]; asylee; H-1B, student, etc.)

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*\*Please be advised that we may request to see your visa or other documentation evidencing your immigration status.*



## SECTION IV FINANCIAL INFORMATION (all applicants)

Either complete the form below or submit a balance sheet showing net worth, along with proof of assets and liabilities.

| ASSETS                          |  | LIABILITIES                  |  |
|---------------------------------|--|------------------------------|--|
| Cash                            | _____  | Credit Cards                 | _____  |
| Stocks                          | _____  | Automobile                   | _____  |
| Retirement Accts (401(k), IRAs) | _____  | Secured Loans                | _____  |
| Personal Property               | _____  | Unsecured Loans              | _____  |
| Automobiles                     | _____  | Taxes                        | _____  |
| Home                            | _____  | Home Mortgage                | _____  |
| Other Residences                | _____  | Other Mortgages              | _____  |
| Real Estate                     | _____  | Other Debts (Itemize)        | _____  |
| Rental Properties               | _____  | _____                        | _____  |
| Business Assets                 | _____  | Business Liabilities         | _____  |
| Other Assets (Itemize)          | _____  | <b>TOTAL LIABILITIES (B)</b> | <div style="border: 1px solid black; width: 100px; height: 20px;"></div> |
| _____                           | _____  | <b>NET WORTH (C) (A-B=C)</b> | <div style="border: 1px solid black; width: 100px; height: 20px;"></div> |
| _____                           | _____  | <b>TOTAL (D) (B + C)</b>     | <div style="border: 1px solid black; width: 100px; height: 20px;"></div> |
| <b>TOTAL ASSETS (A)</b>         | <div style="border: 1px solid black; width: 100px; height: 20px;"></div> |                              |  |

| SOURCE ON ANNUAL INCOME |  | ESTIMATE OF ANNUAL EXPENSES  |  |
|-------------------------|--|------------------------------|--|
| Salary                  | _____  | Mortgage Payments            | _____  |
| Bonus and Commissions   | _____  | Rent                         | _____  |
| Dividends               | _____  | Automobile Payments or Lease | _____  |
| Real Estate Income      | _____  | Insurance Premiums           | _____  |
| Other Income (Itemize)  | _____  | Taxes                        | _____  |
| _____                   | _____  | Other Expenses               | _____  |
| <b>TOTAL</b>            | <div style="border: 1px solid black; width: 100px; height: 20px;"></div> | <b>TOTAL</b>                 | <div style="border: 1px solid black; width: 100px; height: 20px;"></div> |

### GENERAL FINANCIAL INFORMATION

Are any assets pledged? ☐ Yes ☐ No If yes, explain: \_\_\_\_\_

Do you have any contingent liabilities? ☐ Yes ☐ No If yes, explain: \_\_\_\_\_

Are you a defendant in any legal actions? ☐ Yes ☐ No If yes, explain: \_\_\_\_\_

Have you ever filed for bankruptcy or had proceedings commenced against you? ☐ Yes ☐ No

If yes, explain:

**\*\*Attach copies of recent bank and/or brokerage statements verifying liquid assets – Remove account numbers.**

## SECTION V

### EXPERIENCE AND PROPOSED MANAGEMENT STRUCTURE

(all applicants)

1. List any franchise or food service operations in which the applicant or any of the persons listed above are presently, or have in the past been, associated either through employment or through ownership or stock holdings.

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2. Does the activity in item 1 above subject the individual to any restrictive covenant in any existing agreements, or constitute a Competitive Business, which as defined under Company's Operating Agreement is a quick service restaurant that serves hamburgers but does not serve alcohol, or a restaurant or business that generates more than 10% of its revenue from sales of ice cream, yogurt, frozen custard, fruit-based beverages, soft serve or other frozen treats?

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3. If any such associations listed in item 1 above have been terminated, state the date of and reason for termination.

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#### Restaurant Management Plan

As part of this franchise application package, you must provide your restaurant management plan. The purpose of the management plan is to identify clearly all individuals involved in the proposed franchise by outlining their qualifications, roles, and responsibilities. Please use the following series of questions as a guide to completing your plan.

1. Who are the principals for this proposed business and what are their professional backgrounds?
2. What business qualities, skills, and experience qualify each principal for this business?
3. What responsibilities and duties will each of the described principals have with regard to this proposed business? *Please attach a résumé/work history for each person.*
4. What is the makeup of your proposed management team (Designated and Assistant Managers)? Please identify each individual, and list their duties, and responsibilities. *Please attach a résumé/work history for each person.*
5. Who within this management team will have equity interest in the proposed business?
6. Who will attend the Company training program? *Please refer to the appropriate franchise disclosure document (FDD) for the training requirements for each concept.*
7. What other businesses do you currently own? For each business, please indicate in detail the makeup of the management team for that business. **Note:** If you currently own a *DQ* or *Orange Julius* franchise, which of your management team has already successfully completed the applicable Company training program? When did they attend training?

## Initial Franchise Fee

You must include the initial franchise fee when you submit this application to Company.

- The initial franchise fee for a *DQ Grill & Chill* or *DQ Texas Restaurant* is \$45,000 and the initial franchise fee for a *DQ Treat Store* and all other concepts is \$25,000.
- The initial fee must be paid by wire transfer in two installments as follows:
  - A non-refundable deposit of \$10,000 due when you submit the franchise application; and
  - The balance of the initial franchise fee due within 10 days after ADQ approves the application and issues a written consent letter.

The initial franchise fee is refundable only as described in Item 5 of the FDD.

## Background and Patriot Check

As part of the application to become a franchisee, each person who has an ownership interest in the franchise or franchise business entity must submit a signed consent form allowing Company to perform a Criminal Background and Patriot Check, which is done by a third-party vendor. The background check will include certain checks mandated by the federal government through the Patriot Act legislation. Also, any person whose financials are being submitted to gain financial approval must submit to the Background and Patriot Checks. **Once the *DQ*® Application has been submitted, each applicant will receive an email from our third-party vendor, Trusted Employees, containing log-in access to their website to complete the information needed to run the background and patriot checks. To avoid delays in the development process, once the applicant receives the log-in access, please submit the information as soon as possible as the link provided in the email is only valid for 14 days.**

## Restaurant Opening Timeline Considerations

**Company support of your proposed project is focused on maintaining an efficient timeline from acceptance of your application through opening. If you are applying for a *DQ Grill & Chill* franchise and your application is approved, you may be eligible to participate in the Timeline Incentive Program, which provides an incentive for you to open your restaurant within the planned timeline.**

### **Lender Capabilities and Requirements:**

You are solely responsible for identifying and gaining commitment from a lender that enables you to manage your project within the opening timeline requirements as stated in the consent letter if consent is granted (i.e. SBA preferred and express lenders and providers with the ability to expedite lending). Company has no obligation to assist you with financing and will not adjust timelines based on your inability to timely secure appropriate financing.

### **Feasibility Information and Requirements:**

Prior to consent, you will be required to secure feasibility information to assess necessary design and governmental approval requirements. The reliability and accuracy of the information you provide us could directly impact your project's required opening timeline. Therefore, it is essential that you provide us with reliable and accurate information on feasibility prior to consent. Company has no obligation to adjust timelines based upon your inability to timely secure any necessary design or governmental approvals.

Company may, but is not obligated to, obtain a site investigation report ("SIR") for your proposed project, which may include information related to zoning, permitting, parking and loading, signage, environmental, traffic and roadway, utility and other site related requirements, restrictions and

processes. If Company obtains an SIR for your project, it is doing so for its own information and purposes. Company may, but it is not obligated to, share the SIR or certain information from the SIR with you. If Company does share the information with you, you understand and agree that the information is not a substitute for you doing your own research and due diligence on the site and project, that Company makes no warranties or guarantees that the information in the SIR is accurate or complete, and that you should not rely on the information in the SIR in determining whether to move forward with the project.

## Attachments

### **Must be submitted with this completed application:**

- \_\_\_\_\_ Initial Franchise Fee Deposit of \$10,000 \_\_\_\_\_ Copies of recent bank and/or brokerage statements verifying liquid assets (please remove account numbers)
- \_\_\_\_\_ Résumé or detailed work history for all applicants and management team members
- \_\_\_\_\_ Management plan
- \_\_\_\_\_ Finance arrangements from lender
- \_\_\_\_\_ If applying on behalf of a business entity:
  1. For a corporation, the articles of incorporation, by-laws or shareholders agreement, or other documentation evidencing that the corporation has been duly formed and its ownership structure.
  2. For a limited liability company, the articles of organization, operating agreement, or other documentation evidencing that the company has been duly formed and its ownership structure.
  3. For a partnership, the partnership agreement.

## Privacy

You can find information about how Company collects, uses, and shares your personal information on its privacy statement found at <https://www.dairyqueen.com/en-us/privacy-statement/>, (applies through the application stage) and <https://dqhub.dairyqueen.net/privacy-statement> (applies to franchisees), including specific privacy rights for residents of states with privacy laws. By signing and submitting this application, you agree that you have read and agree to both privacy statements.

## Acknowledgments and Signature

If Applicant is awarded a franchise under this Application, this Application will constitute an integral part of the Operating Agreement and any misrepresentation of fact in the Application will be grounds for default of the Operating Agreement. I understand and agree that a site review and consent by Company does not in any way create or imply an assurance or a representation by Company of the success of the proposed restaurant.

Company does not disclose financial performance information (actual or potential sales, profits, earnings or financial success) to franchise applicants other than as set forth in its FDD or as otherwise authorized by applicable law. Company strongly recommends that you contact several franchise operators in your state to discuss financial performance of restaurants of the type in which you are interested. Company does not warrant or guarantee the accuracy or validity of information obtained from franchise operators. You acknowledge that, other than information published in the FDD, neither Company nor its representatives have stated or suggested (orally, in writing, or visually) a specific level or range of potential or actual sales, income, gross or net profits or variable expense data in connection with this Application.

I certify that all information contained in this Application is true and accurate. The information included in this Application is for use by Company in determining approval of a franchise. I authorize Company to use other investigative sources that it considers necessary in making its

determination, including credit and criminal reporting agencies. I authorize any banks listed on the bank statements submitted in connection with this Application to release information necessary to assist Company in its review.

**I acknowledge that I have received and read a copy of the FDD (with the proposed form of Operating Agreement) and that I have been advised to review it and this application with my legal and financial advisors before signing this application.**

A) \_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

B) \_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

C) \_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

D) \_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

## **EXHIBIT E**

Third-Party Agreements Related to the EPOS System and Related Hardware, Software  
and Services



## **PURCHASE OF EQUIPMENT, SUBSCRIPTION SOFTWARE SERVICES, INSTALLATION AND OTHER SERVICES**

### **PARTICIPATION AGREEMENT**

By executing this PARTICIPATION AGREEMENT (“Participation Agreement”), effective \_\_\_\_\_ (“Effective Date”), the undersigned Participating Location and ParTech, Inc. (“PAR”) hereby agrees to the following:

- 1. PAR Equipment Terms and Conditions of Sale, Subscription Software Services Terms and Conditions and PARPay Terms and Conditions.** Participating Location and PAR acknowledges and agrees to be bound by the Terms and Conditions of Sale attached to this Agreement as Schedule A (including the terms and conditions of the Installation Services set forth on Schedule A-1) and incorporated into and made a part of this Agreement (the “Equipment T&C of Sale”), the Subscription Software Services Terms and Conditions attached to this Agreement as Schedule B and incorporated into and made a part of this Agreement (the “SaaS T&C”), and the PARPay Service Terms and Conditions attached to this Agreement as Schedule C and incorporated into and made a part of this Agreement (“PARPay Service T&C”).
- 2. PAR Sales Order for Equipment, Subscription Software Services and Services.** Participating Location and PAR acknowledges and agrees to be bound by the final executed Sales Order for Equipment, Subscription Software Services and Services, which is incorporated into and made a part of this Agreement by reference (the “Sales Order”). A copy of a sample Sales Order is attached to this Agreement as Schedule D, along with Schedule D-1 Standard Dairy Queen Configurations for Participating Location’s reference.
- 3. Master Hardware and Software Agreement with Dairy Queen.** Participating Location acknowledges that: PAR and American Dairy Queen Corporation (“Dairy Queen”) have negotiated a Master Hardware and Software Agreement (the “Master Agreement”) to cover the acquisition and use of PAR Equipment, delivering of Services, and the license of Subscription Software Services by Dairy Queen and its franchisees, including Participating Location. Upon expiration of the Master Agreement or termination of the Master Agreement for convenience by Dairy Queen, at Participating Location’s option, this Participation Agreement will terminate (subject to payment of all remaining payments for Equipment and Installation Services purchased under any financing agreement, or payable under any Conversion Letter, if applicable) or continue until the expiration of the current term of this Participation Agreement, as applicable, subject to a Transition Period agreed to by PAR and Dairy Queen. Upon termination of the Master Agreement for any reason other than for convenience, this Participation Agreement will terminate, subject to a twelve (12) month Transition Period agreed to by PAR and Dairy Queen and payment of all remaining payments for Equipment and Installation Services under any financing agreement or payable under any Conversion Letter, if applicable.

4. **Term.** The initial term of this Participation Agreement shall begin when executed by Participating Location and continue for a period of five (5) years from the date of Activation of the Subscription Software Services at Participating Location, unless earlier terminated by either PAR or Participating Location pursuant to the terms set forth in this Participation Agreement (the “Initial Term”). For purposes of this Participation Agreement, Activation shall be the date that the Participating Location is able to access the Subscription Software Services to process a sales transaction for a customer. Thereafter, this Participation Agreement shall automatically renew at the end of the Initial Term for additional successive periods of one (1) year (the “Renewal Term(s)”). The Initial Term and the Renewal Term(s) shall be referred to herein collectively as the “Term”. Participating Location may terminate this Participation Agreement for convenience, at any time, for any reason upon thirty (30) days’ notice to PAR (subject to payment of all remaining payments for Equipment and Installation Services purchased under any financing agreement or payable under any Conversion Letter, if applicable).
5. **Installation Commitment.** By executing this Participation Agreement, Participating Location understands and agrees to the following:
- a. PAR will provide Participating Location with notification when PAR will be performing Installation Services within Participating Location’s area (“Area Installation”) at least 8 weeks in advance of such timeframe. In order for Participating Location to be eligible to be installed during the Area Installation, Participating Location agrees to the following:
    - i. If not yet completed, Participating Location will complete the Customer Information Form within 4 days of receiving notification of the install time frame.
    - ii. Participating Location agrees to schedule a Site Survey at a time directed by PAR, which will take place at Participating Location approximately 6 weeks prior to the install timeframe.
    - iii. Participating Location agrees to return a signed Sales Order to PAR within 5 days of receipt of the Sales Order by Participating Location.
    - iv. Participating Location will ensure it has completed the Pre-Installation Checklist prior to its installation date (scheduled and coordinated by PAR) as provided upon completion of Participating Location’s Pre-Installation Site Survey. PAR will provide Participating Location with its specific installation date approximately 2 weeks prior to the performance of the installation services, and Participating Location agrees to install the PAR Solution on the specified date.
  - b. if PAR is unable to perform the Installation Services due to Participating Location’s failure to meet any of its obligations above in Section 5.a., the cost for the Installation Services may be increased; and
  - c. if Participating Location does not install the PAR Solution within nine (9) months of PAR’s notification to Participating Location of the Area Installation as set forth in Section 5.a., Participating Location will be in breach of this Participation Agreement.



Participating Location address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

IN WITNESS WHEREOF, Participating Location through its authorized representative has executed this Participation Agreement as of the date of signature below.

**Participating Location:** \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**ParTech, Inc:**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



**SCHEDULE A  
to Participation Agreement**

**TERMS & CONDITIONS OF SALE**

**1. Terms and Conditions.** These Terms and Conditions of Sale (“Terms”) shall apply to the sale by PAR of the Equipment, Installation Services, Advance Exchange Services and On-Site Remedial Maintenance Services to Participating Location. These Terms constitute the agreement between PAR and Participating Location with respect to Participating Location’s purchase and PAR’s sale of the Equipment, Installation Services, Advance Exchange Services and On-Site Remedial Maintenance Services, to the exclusion of any pre-printed or contrary terms of any purchase order (or similar document) and supersedes and cancels any prior discussions, understandings, or representations between PAR and Participating Location. No addition to or modification of these Terms shall be binding upon either party unless expressly agreed to by PAR and Participating Location in writing, and, if these Terms are deemed an offer, acceptance is expressly limited to these Terms. Capitalized terms used herein and not otherwise defined herein shall have the meanings set forth in Section 8(g) below.

**2. Sales Order/Purchase Orders.** Participating Location will purchase the Equipment, Installation Services, Advance Exchange Services and/or On-Site Remedial Maintenance Services from PAR by submitting PAR’s Sales Order (“Sales Order”) or a written purchase order (“Purchase Order”) to PAR. These Terms will apply to the Sales Order or any Purchase Order and supersedes any different or additional terms on Participating Location’s Purchase Order(s). Purchase Orders issued by Participating Location to PAR are solely for the purpose of identifying the Equipment, Installation Services, Advance Exchange Services and/or On-Site Remedial Maintenance Services to be purchased, requesting delivery dates and quantities, specifying the ship-to and bill-to addresses, and specifying the applicable price for the Equipment, Installation Services, Advance Exchange Services and/or On-Site Remedial Maintenance Services; all other terms on such Participating Location Purchase Order(s) shall have no force or effect. Sales Orders/Purchase Orders are subject to acceptance by PAR (which acceptance may be evidenced by PAR’s shipment of the Equipment or performance of the services). All Sales Orders/Purchase Orders are non-cancellable by Customer. Notwithstanding the foregoing, if PAR agrees to cancel any Sales Order/Purchase Order, PAR may condition such cancellation on Customer paying a 10% restocking fee for any Equipment or other items returned to PAR.

**3. Purchase & Sale of Equipment.**

**(a) Sale of Equipment.** PAR will sell Participating Location the Equipment described in the Sales Order/Purchase order (the “Equipment”).

**(b) Equipment Purchase Price.** The purchase price for the Equipment shall be the purchase price set forth in the Sales Order/Purchase Order (the “Purchase Price”).

**(c) Shipping.** PAR shall ship the Equipment to the location identified on the Sales Order/Purchase Order. PAR shall have the option of selecting the carrier, the route and method of shipment.

**(d) Title and Risk of Loss.** The Equipment is delivered D.D.P. Participating Location (Participating Location’s applicable address) per Incoterms 2010. Title to and risk of loss of the Equipment shall pass to Participating Location at delivery, and delivery shall mean at the time the Equipment is unloaded by carrier at applicable Participating Location’s ship-to address and signed for by an authorized representative of Participating Location. Delivery will be made with instruction for inside delivery only with signature required by an authorized representative of Participating Location; provided however, if a Participating

Location has limited hours of operation when an authorized representative may not be present to sign for the delivery, the Participating Location should inform PAR of such limited hours when placing its order with PAR. If there is no representative at the Participating Location to accept and sign for the delivery, then the carrier will take the Equipment back and attempt to make delivery two (2) more times to the Participating Location. After the third attempt, the Equipment will be returned to PAR by the carrier and the Participating Location will be required to pay to PAR any additional shipping charge or other charges, including any rescheduling fees, prior to any further attempt at delivery of the Equipment.

(e) **Taxes and Other Fees.** Participating Location shall be responsible for the payment of all taxes, withholding, duties and other governmental assessments upon or with respect to the sale, purchase, use, receipt or shipment of the Equipment (other than taxes based solely on PAR's net income), including, without limitation, sales or use tax or similar taxes, provided that PAR will not invoice Participating Location for taxes to the extent Participating Location has provided PAR with evidence that Participating Location is exempt from paying and/or PAR is exempt from collecting such tax.

(f) **Payment and Invoice.** All amounts for the Purchase Price of the Equipment; cost(s) (if any) of Installation Services, Advance Exchange Services, and On-Site Remedial Maintenance Services (only the first month of such equipment support services, as applicable) set forth in the Sales Order/Purchase Order, shipment (as contemplated by subsection (c) above) and taxes and other fees (as contemplated by subsection (e) above) shall be pre-paid by Participating Location via ACH. No earlier than the date of installation of the Equipment, PAR will issue its invoice indicating pre-payment of all amounts due under these Terms. Any abort, reschedule or cancellation fees will be invoiced separately or refunded to Participating Location as applicable. Ongoing monthly payments for Advance Exchange Services and/or On-Site Remedial Maintenance Services must be made by ACH. All sums not paid when due will accrue interest daily at the lesser of an annual rate of 18% (1.5% per month), or the highest rate permissible by law on the unpaid balance until paid in full.

#### **4. Equipment and Equipment Installation Services.**

(a) **Embedded Operating System.** If the Equipment contains an embedded operating system from Microsoft the terms and conditions of the end user license agreement ("[Microsoft EULA](https://support.partech.com/terminals.php)") is located at <https://support.partech.com/terminals.php> and is incorporated into and made a part of these Terms and shall be applicable to Participating Location, and Participating Location hereby accepts such Microsoft EULA and the terms thereof.

(b) **Installation Services.** PAR will provide the Installation Services set forth in the Sales Order/Purchase Order (the "[Installation Services](#)") as follows: the Equipment will be installed by PAR or by an installation subcontractor(s) certified by PAR at the location identified on the Sales Order/Purchase Order. Installation of the Equipment shall be deemed to be complete when PAR or its installation subcontractor notifies Participating Location that the Equipment has been properly installed and is ready for use. PAR will use commercially reasonable efforts to perform the Installation Services in accordance with the time schedule set forth in the Sales Order/Purchase Order.

(c) **Participating Location Responsibilities.** If the Sales Order/Purchase Order includes Installation Services, the Participating Location agrees that Participating Location is responsible for the preparation of the space in which the Equipment will be installed, including confirming the space satisfies PAR's specifications as to environment, power, HVAC, and other requirements as described in PAR's pre-installation guide (the "[Pre-Installation Checklist](#)"). Site preparation, in accordance with the Pre-Installation Checklist, must be completed prior to installation. If PAR or its certified installation subcontractor(s) arrives at the Participating Location at which the Equipment is to be installed and the Participating Location is not prepared for installation in accordance with the Pre-Installation Checklist, the Participating Location

will be charged an abort fee; or if PAR fails to arrive at the Participating Location or does not complete the installation due to the fault of PAR, then Participating Location will receive a credit as set forth on the Sales Order. Additionally, Participating Location shall be responsible for the payment of all fees for electrical work that must be performed by a licensed electrician, required by law in connection with the Installation Services, or any fees to comply with applicable government imposed environmental regulations including but not limited to elimination of certain chemical content and recycling fees.

##### **5. Advance Exchange Services.**

**(a) Advance Exchange Services.** PAR will provide the advance exchange services as to the Equipment (“AE Equipment”) identified and set forth in the Sales Order/Purchase Order (the “Advance Exchange Services”) as follows: PAR will provide 24/7 support, tracking and dispatch services and fully operational replacement Equipment for the AE Equipment, in accordance with this Section 5. The Advance Exchange Services include parts, labor, and materials to maintain, repair and replace the AE Equipment under normal use and service, and is provided for AE Equipment during the Advance Exchange Warranty Period (defined in Section 7(b)(i) below), except New Year’s Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, the Friday after Thanksgiving Day and Christmas Day.

**(b) Request for Advance Exchange Services.** To request Advance Exchange Services and fully operational replacement Equipment, Participating Location must submit a request in accordance with Section 7(e) below and, in addition to the information required to be provided to PAR pursuant to Section 7(e), Participating Location must provide PAR with: (i) all configuration requirements for the replacement Equipment, (ii) the failed AE Equipment’s model and serial number, and (iii) the address that the replacement Equipment is to be shipped (“ship-to address”).

**(c) Shipment of Replacement Equipment.** PAR will ship replacement Equipment to Participating Location’s ship-to address, freight prepaid, with next day delivery within the United States for requests received prior to 4:00 p.m. (Eastern Time), Monday through Friday and 12:00 p.m. (Eastern Time), Saturday. Replacement Equipment will be shipped by a premium air freight carrier when PAR determines such method of shipment is appropriate. Participating Location must acknowledge receipt of replacement Equipment by signing the freight carrier air bill or similar shipping/delivery documentation accompanying the replacement Equipment.

**(d) Return of Defective AE Equipment.** PAR will provide Participating Location with a pre-paid shipping label and packaging instructions for the return of the defective AE Equipment to PAR. Participating Location will return the defective AE Equipment to PAR using the corresponding replacement Equipment packaging (PAR will ship replacement Equipment in reusable packaging). Participating Location should be prepared to return ship the defective AE Equipment within two (2) business days of Participating Location’s receipt of the replacement Equipment; however, the defective AE Equipment must be returned to PAR no later than 14 days of Participating Location’s receipt of the replacement Equipment. If Participating Location fails to return the defective AE Equipment within such 14-day period, PAR will notify Participating Location that it has not received the return of the defective AE Equipment, and if Participating Location does not return such defective AE Equipment within 14 days after such notification, Participating Location will be required to purchase the replacement Equipment and pay a 10% restocking fee; and, if Participating Location fails to pay the invoice for such replacement Equipment, then the Equipment Warranty on the replacement Equipment will be ineffective until Participating Location’s account is current. PAR reserves the right to charge Participating Location PAR’s then-current time-and-materials rates for Advance Exchange Services provided to Participating Location when PAR determines that the root cause of the defective AE Equipment was as a result of events or circumstances described in Section 7(b)(ii) below. If PAR determines that more than 50% of the AE Equipment returned by Participating Location in any consecutive six (6) month period was not defective, Participating Location will be invoiced diagnostic and handling fees for each subsequent defective AE Equipment returned where no defect is found.

## 6. On-Site Remedial Maintenance Services (If Applicable)

**(a) On-Site Remedial Maintenance Services.** PAR will provide on-site remedial maintenance services for the Equipment (“RMS Equipment”) identified and set forth in the Sales Order/Purchase Order (the “RMS Service” and/or “On-Site Maintenance Services”) as follows:

**(b) Principle Periods of Maintenance.** PAR will provide RMS Service availability during the Principal Period of Maintenance (“PPM”) set forth below:

| Call Priority | PPM (all times are Local Site Time)                                      |
|---------------|--|
| P1            | 8 a.m. – 12 midnight - 7 Days/week                                       |
| P2            | 8 a.m. - 12 midnight - Monday thru Saturday only, excluding PAR Holidays |

- i. **Help Desk Support.** PAR will provide a toll-free number and the availability of support personnel 24 hours a day, 7 days a week, for Participating Location’s non-exclusive use to notify PAR of all service requests for diagnostic support.
- ii. **Remedial Maintenance.** PAR will provide RMS Service as required during the PPM, following notification by the Participating Location and PAR’s technical assistance confirmation that RMS Equipment is inoperative or malfunctioning. Maintenance will consist of the repair or replacement of parts deemed necessary by PAR to return RMS Equipment to good operating condition. PAR reserves the right to refuse to perform RMS Services when, in PAR’s judgment, conditions at the Participating Location present a hazard to the safety or health of PAR’s employees. Maintenance materials, tools, documentation, replaced parts, diagnostic and test equipment provided by PAR shall remain PAR’s property.
- iii. **Call Priorities and Response/Restoration Times.**
  - a. **Call Priority.** Requests for RMS Service will be prioritized as follows:

| Call Priority | Definition   |
|---------------|--|
| P1            | <ul style="list-style-type: none"><li>• 50% of front counter terminals are down.</li><li>• 50% of drive-thru terminals are down.</li><li>• 50% of KVS monitors are down.</li></ul> |
| P2            | Equipment failures outside of the P1 definition – store operations are not materially affected   |

- b. **Response Time.** Upon confirmation of a request for RMS Service, PAR will use commercially reasonable efforts to respond on-site at the Participating Location and restore the RMS Equipment within the response/restoration times as follows:

| Call Priority | RMS Response      | RMS Restoration                        | Service Level for Restoration |
|---------------|-------------------|--|-------------------------------|
| P1            | 4 Contract Hours  | 8 Contract Hours                       | 90%                           |
| P2            | Next Contract Day | Next Contract Day by 6:00pm local time | 90%                           |

**“Contract Hour”** is that or those hours falling within the applicable PPM, as defined above.

Additional time shall be permitted for response to P1 calls based upon the Customer’s location’s geographical distance from a PAR field service location, as follows:

| <u>Distance From<br/>PAR Field Service Location</u> | <u>P1<br/>Added (Hours)</u> |
|---|-----------------------------|
| >0 ≤ 75 miles                                       | 0                           |
| >75 < 100 miles                                     | 0.5                         |
| >100 < 125 miles                                    | 1                           |
| >125 < 150 miles                                    | 1.5                         |
| >150 < 175 miles                                    | 2.0                         |
| >175 Miles  | Out of Scope                |

**(c) Participating Location Responsibilities.** Participating Location agrees to:

- i. Designate a knowledgeable resource to accurately communicate and collaborate with the PAR Help Desk employee.
- ii. Be prepared to provide all information needed including error codes, process or procedures leading up to the error and any other information that may be relevant and might help to expedite the resolution. If the knowledgeable resource designated by Participating Location refuses to troubleshoot over the telephone prior to RMS Service dispatch, the Call Priority will be designated a P2 priority and Participating Location will be invoiced for the field service visit at then applicable time and material rates if the field service technician determines, upon arrival, that the problem could have been remedied through Help Desk Support Services.
- iii. Perform regularly scheduled system and database backups and ensure that they are available when required.
- iv. Provide PAR field service technicians with unencumbered and immediate access to RMS Equipment upon their arrival at the site.
- v. Provide PAR's field service technician with operating supplies, consumables, and such other items as the Participating Location would use during normal operation.
- vi. Provide working space, heat, light, ventilation, phone access, electrical power and outlets for use by PAR's field service technician.
- vii. Remain current on all payments due to PAR under this Participation Agreement.
- viii. Provide PAR with at least thirty (30) days prior written notice of any relocation of the RMS Equipment covered under RMS Service to a location other than the Participating Location.

**7. General Terms.**

**(a) New or Equivalent.** The Equipment, replacement Equipment provided through Advance Exchange Services, and any parts PAR furnishes may not be newly manufactured and may contain used components; the foregoing does not impact the Equipment Warranty. Equipment that has been replaced (or parts thereof) shall be PAR property.

**(b) Limited Warranty: Limitation of Liability.** (i) PAR warrants to Participating Location that (A) (1) for a period of five (5) years from date of Activation of the SSS in such location (the "Advance Exchange Warranty Period") and (2) for a period of one (1) year from date of Activation of the SSS in such location for Equipment that is not AE Equipment (the "Depot Warranty Period", and collectively with the Advance Exchange Warranty Period, the "Equipment Warranty Period") the Equipment will be free of defects in materials and workmanship normal use and service (the "Equipment Warranty"), and (B) for a period of 30 days from the completion of installation (the "Installation Warranty Period"), the installation was performed in accordance with PAR's then current installation procedures and will be free from defect in workmanship normal use and service (the "Installation Warranty"). EXCEPT AS EXPRESSLY SET FORTH IN THE IMMEDIATELY PRECEDING SENTENCE, PAR DISCLAIMS ANY AND ALL WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR NONINFRINGEMENT OF

THIRD PARTY INTELLECTUAL PROPERTY RIGHTS. IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER PARTY FOR ANY CONSEQUENTIAL OR INDIRECT DAMAGES WHATSOEVER INCLUDING WITHOUT LIMITATION DAMAGES FOR LOSS OF BUSINESS, LOST PROFITS, DAMAGE TO GOODWILL OR REPUTATION, BUSINESS INTERRUPTION, OTHER INDIRECT PECUNIARY LOSS OR OTHER INCIDENTAL, CONSEQUENTIAL, SPECIAL, PUNITIVE OR EXEMPLARY DAMAGES, WHETHER ARISING OUT OF BREACH OF CONTRACT, WARRANTY, TORT (INCLUDING WITHOUT LIMITATION NEGLIGENCE, FAILURE TO WARN OR STRICT LIABILITY), CONTRIBUTION, INDEMNITY, SUBROGATION OR OTHERWISE, EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE LIKELIHOOD OF SUCH DAMAGES.

(ii) Without limiting the foregoing, (A) the Equipment Warranty shall be rendered null and void or the Equipment will not be covered under AE Service or RMS Service and Participating Location will be subject to all labor, material and expenses, if: (1) the Equipment (including AE Equipment or RMS Equipment) is placed in an operating environment, which differs from the operating environment in which the Installation Services were performed and is not in compliance with the requirements specified by PAR or the original equipment manufacturer (unless such Installation Services were performed at a Participating Location that was not in compliance with the Pre-Installation Checklist and such services were authorized by PAR); (2) the Equipment (including the AE Equipment or RMS Equipment) or any component part is installed or repaired by a third party not certified or authorized by PAR and such installation or repair directly causes the Equipment failure; provided however, this will not apply to installations of AE Equipment by Participating Location or installations or repairs performed by a Participating Location or an authorized third party that is certified by PAR; (3) the Equipment (including the AE Equipment or RMS Equipment) was not used under normal operating conditions or in accordance with any labels, instructions or specifications of PAR or the original equipment manufacturer; or (4) use of any equipment in connection with the Equipment without PAR's consent that directly causes an Equipment failure; (5) any software loaded onto the Equipment without PAR's consent that directly causes an Equipment failure; (6) changes made by the Participating Location to the Equipment or the Equipment's software without PAR's consent that directly causes an Equipment failure; and (7) the Equipment (including the AE Equipment) is subject to dropping, striking (including harsh blows from either persons or objects), misuse, neglect, negligence, accident or vandalism, or deliberate act that directly cause an Equipment failure, including but not limited to: (w) issues as a result of Participating Location's store environment (e.g. foreign objects or substances on or leaking into the Equipment, steam) which can be resolved by relocating the Equipment without materially disrupting Participating Location's operations or environment; (x) improper handling or storage of the Equipment (including the AE Equipment) after acceptance of delivery and prior to installation; or (y) casualty, which shall include but not be limited to, fire, water, wind, flood, lightning, civil disturbance, war, terrorism or other catastrophes or similar causes; (B) PAR shall not be liable for any damage resulting from the failure of the Equipment (including AE Equipment) to comply with local laws or regulations; and (C) Participating Location will be responsible for the cost of a return visit for RMS Service if prompt and safe access to the RMS Equipment is not allowed or is materially hampered by the Participating Location upon the field service technician's arrival at the Participating Location.

**(c) EACH PARTY'S MAXIMUM ANNUAL LIABILITY TO THE OTHER PARTY.**

NEITHER PARTY'S AGGREGATE ANNUAL CALENDAR YEAR (JANUARY 1 TO DECEMBER 31) LIABILITY TO THE OTHER PARTY IN CONNECTION WITH THIS PARTICIPATION AGREEMENT INCLUSIVE OF ALL SCHEDULES HERETO (INCLUDING ALL DIRECT, CONSEQUENTIAL OR INDIRECT DAMAGES WHATSOEVER) WHETHER ARISING OUT OF OR RELATED TO BREACH OF CONTRACT, WARRANTY, TORT (INCLUDING WITHOUT LIMITATION NEGLIGENCE, FAILURE TO WARN OR STRICT LIABILITY) OR OTHERWISE, SHALL EXCEED \$50,000. THE LIMITATIONS IN SECTION (b) ABOVE AND THIS SECTION (c) DO NOT APPLY TO EITHER PARTY'S LIABILITY FOR ITS (OR ITS RESPECTIVE AGENTS AND/OR SUBCONTRACTORS) GROSS NEGLIGENCE OR WILFULL MISCONDUCT, WILFUL FAILURE TO COMPLY WITH LAW, FRAUD, INTELLECTUAL PROPERTY INFRINGEMENT, BODILY INJURY

(INCLUDING DEATH) OR DAMAGE TO OR LOSS OF ANY TANGIBLE PROPERTY.

**(d) Exclusive Remedy.** Participating Location's exclusive remedies and PAR's sole liability with respect to the Equipment, including, without limitation, for breach of the limited warranty set forth in subsection (b) above, is expressly limited to repair or replacement of the Equipment. These exclusive remedies shall not be deemed to have failed in their essential purpose so long as PAR is willing to repair or replace the defective Equipment. These exclusive remedies are not limited to defects in hardware, software and/or services, but "defects" includes defects/mistakes in firmware, preset data programmed by PAR, and defects in documentation. PARTICIPATING LOCATION ACKNOWLEDGES AND AGREES THAT THE REMEDIES HEREUNDER ARE PARTICIPATING LOCATION'S SOLE AND EXCLUSIVE REMEDIES WITH RESPECT TO ANY CLAIM BY PARTICIPATING LOCATION IN CONNECTION WITH OR RELATING TO THE EQUIPMENT PROVIDED HEREUNDER. THE LIMITATIONS IN THIS SECTION DO NOT APPLY TO PAR'S LIABILITY FOR ITS (OR ITS RESPECTIVE AGENTS AND/OR SUBCONTRACTORS) GROSS NEGLIGENCE OR WILLFUL MISCONDUCT, VIOLATION OF LAW, FRAUD, INTELLECTUAL PROPERTY INFRINGEMENT, BODILY INJURY (INCLUDING DEATH) OR DAMAGE TO OR LOSS OF ANY TANGIBLE PROPERTY.

**(e) Warranty Claims.** To make a claim for a breach of Warranty (a "Warranty Claim"), Participating Location must notify PAR of a defect or breach during the applicable Warranty Period by calling 1-800-458-6898. No return of the Equipment (including AE Equipment) will be accepted without a Return Material Authorization ("RMA") number provided by PAR's Sales Administration Department (at 800-448-6505). If the defect or breach is not discovered and the Warranty Claim made within the applicable Warranty Period, the Warranty Claim shall be waived. The required notice of defect or breach must specify the facts constituting the defect or breach and the existence of the defect or breach must be verified by PAR. Participating Location agrees to return any allegedly defective Equipment to PAR, and PAR will, at its option and expense (including shipment via ground transportation), either replace the defective Equipment or repair the defective Equipment at PAR's facility (depot repair). Participating Location agrees to be responsible for the proper packing of any Equipment returned to PAR for repairs and to assume the entire risk of loss or damages during return of any allegedly defective or defective Equipment to PAR directly caused by the improper packing of any Equipment returned to PAR. Any replacement Equipment supplied by PAR in connection with the Equipment Warranty is subject to the same warranty for the remaining original Equipment Warranty Period.

**(f) Force Majeure.** PAR and Participating Location shall not be liable for, and shall not be deemed to have breached these Terms in the event of, any failure or delay in performance when such failure or delay is caused by conditions beyond PAR or Participating Location's reasonable control, including without limitation war, strike, labor dispute, fire, flood, earthquake, tornado, hurricane, government action or intervention, embargo or blockade, explosion, terrorist threats or acts, civil unrest, shortage of raw materials, breakdown, shortage or non-availability of transportation facilities or equipment or any other national or regional emergency or act of God. If PAR declares a force majeure event hereunder, the Sales Order/Purchase Order shall continue in effect for a period of 60 days from such declaration. After the expiration of such 60-day period, PAR may cancel any unperformed portion of the Sales Order/Purchase Order upon written notice to Participating Location without liability to Participating Location.

**(g) Default and Indemnification.** If Participating Location (i) fails to tender any payment when due in accordance with these Terms and the terms of the applicable invoice, (ii) fails or refuses to accept the Equipment properly tendered (iii) fails in any other respect to perform its obligations in accordance with these Terms, or (iv) becomes insolvent or, if any bankruptcy, insolvency, reorganization, or liquidation proceeding or other proceeding or relief under any bankruptcy law or any law for the relief of debtors is instituted by Participating Location for relief thereunder, or is instituted against Participating Location, the occurrence of any of the events specified in clauses (i) – (iv) above being deemed to constitute a material breach hereof, PAR may, in addition to any other remedies PAR may have at law or in equity, (y) with or without demand or notice to Participating Location declare the entire amount unpaid immediately due and



payable and/or (z) enter upon the premises where the Equipment may be found and remove it and resell any of the Equipment, the Purchase Price of which has not been fully paid or which has been shipped and which Participating Location has wrongfully failed or refused to accept, and receive from Participating Location the difference between the Purchase Price with respect to any such Equipment and the price obtained on resale (if less), as well as any incidental costs and expenses incurred by PAR. All rights and remedies of PAR shall be cumulative and not exclusive of any other rights or remedies which PAR would otherwise have at law or in equity. Participating Location shall cooperate with PAR in PAR's enforcement of its rights and remedies hereunder, including granting PAR access to Participating Location's facilities for the purpose of retaking possession of the Equipment, and shall indemnify PAR for all costs and expenses incurred by PAR in connection with the repossession, transport and/or disposal of the Equipment that is damaged or otherwise is unsalable as a direct or indirect result of Participating Location's default hereunder. In addition, PAR may terminate, without liability to Participating Location, any other agreement between Participating Location and PAR. PAR will defend and indemnify Participating Location, its affiliates and their respective officers, directors, employees, agents, successors, and assigns from and against any and all damages, losses, fines, penalties, costs, expenses, liabilities and other amounts (including reasonable attorney fees and expenses) ("Losses") suffered or otherwise incurred by any of them arising from or in connection with or otherwise relating to: (i) bodily injury (including death) or damage to or loss of any tangible property caused by any Equipment or the negligent acts or omissions of PAR or its sub-contractors and their respective officers, directors, employees, agents, suppliers, sub-suppliers, successors and assigns; (ii) gross negligence or willful misconduct of PAR or its sub-contractors and their respective officers, directors, employees, agents, suppliers, sub-suppliers, successors and assigns in providing the Equipment, Installation Services, Advance Exchange Services and/or On-Site Remedial Maintenance Services, (iii) an allegation that any Equipment, Installation Services, Advance Exchange Services and/or On-Site Remedial Maintenance Services infringes on any third party Intellectual Property Rights, and (iv) any violation of Law by PAR or its sub-contractors and their respective officers, directors, employees, agents, suppliers, sub-suppliers, successors and assigns or any of their respective employees, officers, directors, agents or representatives in providing the Equipment, or in the performance of the Installation Services, Advance Exchange Services and/or On-Site Remedial Maintenance Services. With respect to subsection (iii) above, PAR may modify or replace the Equipment or Services so as to be non-infringing and materially equivalent, or PAR may procure a license for Participating Location's continued use of the Equipment or Services. If PAR is unable to modify or replace the Equipment or Services or procure a license, despite its commercially reasonable efforts, then PAR shall refund any applicable price or fees paid by Participating Location in the case of Equipment less a depreciated amount of the price or fees paid by Participating Location for said Equipment based on a five (5) year straight line depreciation or in the case of Services, refund any pro-rata amount of any pre-paid fees made by Participating Location for such Services. Notwithstanding the foregoing, PAR is not liable to defend, indemnify or hold harmless Participating Location for any Losses to the extent such Losses arise from: (x) the negligent or willful misconduct of the Participating Location or (y) with respect to subsection (iii) above, the modification of the Equipment or Services by Participating Location or a third party at Participating Location's request; the use of the Equipment or Services in conjunction with equipment or software not provided or approved by PAR; or use of the Equipment or Services inconsistent with its intended purpose or which is not in conformance with PAR's reasonable instructions. THE FOREGOING STATES THE ENTIRE LIABILITY OF PAR TO PARTICIPATING LOCATION CONCERNING WARRANTIES OF INTELLECTUAL PROPERTY RIGHTS AND INDEMNIFICATION OF INTELLECTUAL PROPERTY INFRINGEMENT, INCLUDING, BUT NOT LIMITED TO, PATENT, COPYRIGHT, TRADEMARK, TRADE DRESS AND TRADE SECRETS.

**(h) Release and Indemnity**

If a Participating Location: (i) chooses not to replace existing equipment and requests that PAR use existing equipment or components (e.g. mounting brackets, cabling, etc.); or (ii) install (except with respect to AE

Equipment), relocate or repair Equipment itself or through a third party on its behalf, then Participating Location hereby waives, releases and forever discharges PAR, its parent, subsidiaries, affiliates and subcontractors, together with their officers, directors, employees, agents, predecessors, successors and assigns thereof, from any and all actions, claims, demands and causes of action (including reasonable attorneys' fees and costs actually incurred), and punitive damages, of any nature whatsoever, known or unknown, which the Participating Location may have had, has or may have against PAR, in whole or in part, for any claims for death, personal injury, damage to, or destruction or loss, consequential or otherwise, to or of any and all property, real and personal ("Property"), including, without limitation, Property of any person or persons, to the extent such claim directly arises from Participating Location's use of the existing equipment or components or its installation (except with respect to AE Equipment), relocation or repair Equipment itself or through a third party on its behalf. The Participating Location understands and agrees that it is waiving and releasing any and all claims that it may ever have against PAR relating to its use of the existing equipment or components, regardless of their nature or origin related to personal injury, death or property damage that may arise from the use of the existing equipment or components, and that the fact that such claim is not listed in this paragraph does not mean that such claims are not intended to be included in this release of liability.

Further, the Participating Location hereby agrees to indemnify, defend and hold harmless PAR, its parent, subsidiaries, affiliates and subcontractors, together with their respective officers, directors, employees, agents, predecessors, successors and assigns, from any and all liability, claims, demands, actions, damages, or other liabilities of whatsoever kind or nature, including reasonable attorney's fees and expenses for any claims for death, personal injury, damage to, or destruction or loss, consequential or otherwise, to or of any and all Property, including, without limitation, Property of any person or persons, to the extent such personal injury, death and/or Property damage, destruction and/or loss arises, directly, in whole or in part, from Participating Location's (i) use of the existing equipment or components; (ii) installation (except with respect to AE Equipment), relocation or repair of the Equipment itself or through a third party on its behalf; or (iii) negligence or the negligence of its employees or subcontractors.

**THIS RELEASE AND INDEMNITY SHALL NOT LIMIT PAR'S LIABILITY FOR CLAIMS IN CONNECTION WITH THE SERVICES PROVIDED HEREUNDER THAT ARE DIRECTLY CAUSED BY PAR'S (OR ITS RESPECTIVE AGENTS AND/OR SUBCONTRACTORS) GROSS NEGLIGENCE, WILFULL MISCONDUCT, VIOLATION OF LAW OR FRAUD .**

**(i) Intellectual Property Rights.** All Intellectual Property of either Participating Location or PAR, and all modifications thereto, shall at all times be and remain the sole and exclusive property of such party, and neither these Terms nor any Sales Order/Purchase Order submitted by Participating Location hereunder shall constitute a license to either Participating Location or PAR to use or display the Intellectual Property of the other party, except as expressly provided in Section 4(a) above.

**(j) Export Laws.** Participating Location acknowledges that the sale of the Equipment may be subject to export and import control laws, restrictions and regulations imposed by the United States or other jurisdictions. Participating Location shall comply with all applicable export laws, restrictions and regulations of the United States, the European Union or other foreign agency or authority, and Participating Location agrees not to import, export or re-export, or allow the import, export, or re-export of, any Equipment in violation of any such laws, restrictions, or regulations. Participating Location certifies to PAR that it is not on any U.S. government restricted parties list or similar list, and Participating Location shall be solely responsible for obtaining any and all necessary licenses in connection with the import, export or re-export of the Equipment.

## 8. **Miscellaneous.**

(a) **Survival.** Notwithstanding the expiration or termination of these Terms, any rights, and obligations which by their nature extend beyond such expiration or termination shall survive such expiration or termination, including but not limited to the Warranty provisions, indemnification provisions, and the provisions of Sections 7(b), 7(c), 7(f), 7(g), 7(h), 8(b) and this subsection 8(a).

(b) **Applicable Law and Interpretation.** These Terms and the Sales Order/Purchase Order will be construed in accordance with, and all disputes will be governed by, the laws of the State of Delaware, United States of America, without regard to its conflict of laws principles or rules. The English language version of these Terms and the Sales Order/Purchase Order shall govern and control any translation of these Terms and the Sale Order into any other language. The parties specifically waive application of the United Nations Convention on Contracts for the International Sale of Goods (CISG). The word “including” shall mean including without limitation.

(c) **Notice.** Notices shall be deemed given upon receipt. Any notices required to be given shall be in writing and in the case of notice to Participating Location, shall be sent to the billing address or fax number on the Sales Order/Purchase Order. In the case of notice to PAR, such notice shall be sent via postage prepaid certified mail or by overnight courier to: ParTech, Inc. (Attn: Legal Department); ParTech Technology Park; 8383 Seneca Turnpike; New Hartford, NY 13413-4991.

(d) **Severability.** If any court of competent jurisdiction holds that any provision of these Terms or of any Sales Order/Purchase Order is illegal, invalid, or unenforceable, the legality, validity, and enforceability of the remaining provisions of these Terms and/or of the Sales Order/Purchase Order will not be affected or impaired, and all remaining terms hereof or of the Sales Order/Purchase Order shall remain in full force and effect, provided that this provision shall not be applied to defeat the intent of the parties.

(e) **Prior Dealings.** No course of dealing or failure by Participating Location or PAR to strictly enforce any term, right or condition of these Terms or a Sales Order/Purchase Order will be construed as a waiver thereof. Any purported waiver by Participating Location or PAR will only be enforceable if in writing signed by such party and will not be deemed to waive any later breach of the same or any other term, right or condition. These Terms and the Sales Order/Purchase Order may not be amended except by written agreement of Participating Location and PAR expressly referring thereto.

(f) **Assignment.** Neither Participating Location or PAR may assign or transfer the Sales Order/Purchase Order and/or Terms or any interest therein to a third party, without prior written consent of the other party, which shall not be unreasonably withheld; provided, however, the Sales Order/Purchase Order and/or Terms may be assigned as part of a merger, or sale of all or substantially all of the business or assets, of a party.

(g) **Definitions.** All capitalized terms used in these Terms, to the extent not defined elsewhere in these Terms, shall have the following meanings: “**Participating Location**” means the location within the Dairy Queen or Orange Julius franchise systems which chooses to purchase Equipment and license and receive access to software through the PAR Solution by signing the Participation Agreement. “**IncoTerms**” means the International Commercial Terms. “**Intellectual Property Rights**” are all patents, patent applications, trademarks, inventions (whether or not patentable), know-how, designs, mask works, processes, methodologies, service marks, copyrights and copyrightable works, trade secrets, data, designs, manuals, training materials and documentation, formulas, knowledge of processes, methods, products and product specifications and all other intellectual property rights as these terms are understood under Law, including any modifications, adaptations, adjustments, enhancements, updates, improvements, alterations and corrections thereto and other derivative works thereof. “**Law**” means any federal, state, county or local law, ordinance, statute, rule, or regulation to the extent it applies to either party, its property, or its obligations in connection with this Participation Agreement. “**PAR**” means ParTech, Inc., a New York corporation. “**Warranty**” means collectively, the Equipment Warranty and the Installation Warranty. “**Warranty Period**” means, collectively the Advance Exchange Warranty Period, the Depot Repair Warranty Period and the Installation Warranty Period.

**(h) Subsequent Purchases.** These Terms shall apply to subsequent purchases of Equipment, Installation Services, Advance Exchange Services and/or On-Site Remedial Maintenance Services unless expressly superseded by a document of later date that has been expressly agreed to in writing by PAR and Participating Location.

**(i) Independent Contractors.** The parties are independent contractors with respect to each other.

## **SCHEDULE A-1**

### **INSTALLATION SERVICES**

Services to be provided by PAR to each Participating Location:

#### **1.1. Pre-Installation Site Survey**

PAR will perform a Pre-Installation Site Survey at existing Participating Locations in advance of the POS solution installation. Refer to the Dairy Queen PAR Site Survey Form as set forth in the Installation Guide. Pre-Installation Site Survey services include the following:

- 1.1.1. Schedule the site survey with a representative of the Participating Location, at the Participating Location, to occur at least 6 weeks before the POS installation date.
- 1.1.2. Visually inspect and certify existing Participating Location network cabling as necessary.
- 1.1.3. Capture images of existing equipment placement.
- 1.1.4. Collect store measurements pertinent to future equipment that will be installed during POS installation.
- 1.1.5. Validate required quantity and placement of permanent electrical outlets available for the PAR POS system installation.
- 1.1.6. Record the kitchen display station each menu item group will route to as specified in the Dairy Queen PAR Site Survey Form as set forth in the Installation Guide.
  - 1.1.6.1. Review the survey results and Dairy Queen Site Readiness Checklist as set forth in the Installation Guide with the Participating Location at the completion of the survey process.
- 1.1.7. Within approximately three business days of completing the Pre-Installation Site Survey, provide:
  - 1.1.7.1. an electronic copy of the completed Dairy Queen PAR Site Survey Form to the Participating Location, including a list of any necessary work or modifications that are outside of the scope of PAR's Installation Services, and dates by which such work or modifications must be completed to meet the anticipated installation date; and
  - 1.1.7.2. a detailed estimate of the anticipated charges for any and all Installation Services PAR anticipates performing, customized for that Participating Location, and clearly defining which of those services the Participating Location may perform themselves or contract to another provider.
- 1.1.8. Perform surveys on Sundays, Mondays, Tuesdays, Wednesdays, Thursdays, and Fridays as PAR technician availability dictates.

#### **1.2. POS Go-live Support Services**

PAR will provide technical and operational support for the PAR Solution via a dedicated support phone line, from the time the Equipment arrives onsite through the first forty-eight (48) hours following system installation "Go-Live". POS Go-live Support Services to include the following:

- 1.2.1. Provide guidance on accessing information for Go-Live.
- 1.2.2. Answer questions related to pre-Go-Live responsibilities including where to obtain login credentials, completing Participating Location readiness requirements, and setting prices.
- 1.2.3. Answer questions related to POS operation, technical POS issues, and POS configuration.
- 1.2.4. Refer Participating Location to other support entities for technical issues with Brink POS integrations.
- 1.2.5. Direct Participating Location to available Brink POS training material as necessary.
- 1.2.6. Answer questions related to setting up the Participating Location's primary register

identified as “training terminal” before POS installation.

- 1.2.7. Contact Participating Location approximately 7 days prior to Go-Live to review Participating Location readiness requirements.
- 1.2.8. Contact the Participating Location approximately 3 business days prior to the installation date to review the installation scope and confirm Participating Location’s readiness requirements have been completed.
- 1.2.9. Contact Participating Location during Go-Live and review Dairy Queen Day of Go-Live Checklist as set forth in the Installation Guide.

### **1.3. POS Training Services**

PAR will provide POS training documentation and materials to each Participating Location prior to installation. POS Training Services to include the following:

- 1.3.1. Provide a Dairy Queen branded Brink POS user guide including reference materials such as how to perform cashier functions, manager functions, set menu prices and taxes, run Brink reports, and general system use. Refer to the Brink POS Manager/Owner Training Guide as set forth in the Installation Guide.

### **1.4. POS System Staging and Delivery Services**

PAR will load the PAR terminals and kitchen controllers with the Licensed Software and approved Microsoft Windows Operating System. PAR will configure the system in accordance with the Dairy Queen System Configuration Procedure as set forth in the Installation Guide. POS System Staging Services to include the following:

- 1.4.1. PAR will configure kitchen video controllers, POS terminals, and specified peripherals as defined in the Dairy Queen System Configuration Procedure to minimize installation efforts and promote consistency across installations.
- 1.4.2. Maintain POS image for PAR terminals and kitchen controllers including operating system, device drivers and settings, and Licensed Software “DQ POS Image”.
- 1.4.3. Activate the Participating Location with store specific location ID.
- 1.4.4. Ship the Equipment set forth on Participating Location Sales Order to the destination provided, to arrive approximately seven (7) calendar days prior to the scheduled installation date for existing locations or approximately three (3) calendar days prior to the scheduled installation date for new construction or remodeled locations. Shipping costs will be invoiced to the Participating Location. Any expedited shipping requests must be pre-approved by the Participating Location and PAR and Participating Location will be required to pay to PAR any additional shipping charges.
- 1.4.5. Deliver Equipment with instruction for inside delivery only with signature required by an authorized representative of Participating Location upon delivery; provided however, if a Participating Location has limited hours of operation when an authorized representative may not be present to sign for the delivery, the Participating Location should inform PAR of such limited hours when placing its order with PAR. If there is no representative at the Participating Location to accept and sign for the delivery, then the carrier will take the Equipment back and attempt to make delivery two (2) more times to the Participating Location. After the third attempt, the Equipment will be returned to PAR by the carrier and the Participating Location will be required to pay to PAR any additional shipping charges or other charges, including any Rescheduling Fees, prior to any further attempt at delivery of the Equipment.

### **1.5. POS Installation Services**

PAR will provide Installation Services to the Participating Location for all Equipment set forth on

Participating Location Sales Order and included in the PAR Solution. Refer to the Installation Guide for in scope Equipment. PAR Installation Services will include the following after Participating Location's execution of the Participation Agreement and Sales Order, and in accordance with the market installation schedule as determined by PAR and Dairy Queen, for a Participating Location:

- 1.5.1. PAR will make available or provide via email a welcome packet including contact information and site readiness information to Participating Location designated point of contact. Refer to the Dairy Queen PAR Brink POS Welcome Information as set forth in the Installation Guide.
- 1.5.2. Provide a date and time to perform the Installation Services at the Participating Location after execution of the Participation Agreement and Sales Order, and in accordance with the Area Installation schedule as determined by PAR and Dairy Queen. If the Participating Location's designated point of contact cannot be reached within three (3) business days, Dairy Queen will be notified to assist with the scheduling communications.
- 1.5.3. Confirm Participating Location's readiness to install the PAR Solution approximately three (3) business days prior to the scheduled POS installation as defined in the Site Readiness Checklist and identified in the Pre-Installation Site Survey. Refer to Dairy Queen Site-Readiness Checklist and the Dairy Queen PAR Site Survey Form the Installation Guide.
- 1.5.4. Upon arrival at the Dairy Queen Participating Location on the scheduled installation date, PAR will review the Pre-Installation Site Survey as specified in the Dairy Queen Site-Readiness Checklist as set forth in the Installation Guide, prior to the removal of any existing equipment.
- 1.5.5. Remove existing equipment to be replaced, including: point of sale terminals, cash drawers, kitchen display equipment, receipt printers, kitchen printers and other system peripherals.
- 1.5.6. Install the Equipment set forth on the Participating Location Sales Order and connect all cables required in accordance with the PAR Dairy Queen Installation Manual, found in the Installation Guide.
- 1.5.7. PAR will test system with Participating Location designated point of contact and record any open issues in the post-installation reporting.
- 1.5.8. PAR will make post-installation reporting available to Dairy Queen including photographic images captured during the installation and the Dairy Queen Manager Post Installation Checklist as set forth in the Installation Guide.

#### **1.6. Network Cabling Services**

PAR will provide network cabling services set forth on Participating Location Sales Order. Network Cabling Services include the following:

- 1.6.1. Obtain the appropriate licenses and permits required to perform work at the Participating Location. Low voltage permit and/or jurisdictional licensing fees as well as the cost to obtain these will be invoiced to the Participating Location. Requests for network cabling must be made at least 45 calendar days prior to the scheduled installation date.
- 1.6.2. Remove existing cabling where required to complete the installation of new cabling.
- 1.6.3. Install cabling required for installation of the Equipment as set forth on the sales order.
- 1.6.4. Certify all cables installed and provide certifications in post-installation reporting.
- 1.6.5. If a Participating Location installs network cabling, a Customer Acknowledgement of Low Voltage Cabling Self-Install as set forth in the Installation Guide form must be completed and submitted to PAR.

## **2.0 Participating Location Responsibilities**

- 2.1 Execute Participation Agreement and Sales Order at least 5 weeks in advance of Installation Services in accordance with the market installation schedule as determined by PAR and Dairy Queen
- 2.2 Provide a designated representative with decision making capability and appropriate access to facilities to be present at Participating Location for duration of all onsite services including but not limited to Pre-Installation Site Survey and POS Installation Services.
- 2.3 Provide a designated representative with decision making capability to work with PAR throughout the duration of the Installation Services. If the Participating Location's designated point of contact cannot be reached within three (3) business days, Dairy Queen will be notified to assist with the communications and specified installation timelines are subject to change.
- 2.4 Provide OSHA compliant, 6-foot ladder, of appropriate size for ceiling access where required, for use by the PAR installer during the installation at the Participating Location.
- 2.5 Accept complete order shipments and storage in a location to prevent damage prior to Installation Services.
- 2.6 Provide PAR with reasonable access to the Participating Location and systems as needed to complete the Installation Services, including, normal and customary utilities and office support services suitable for the performance of the Installation Services.
- 2.7 Ensure required quantity of functioning power outlets are available for system as specified in site readiness material or the site survey. Refer to Dairy Queen PAR Site Survey Form as set forth in the Installation Guide.
- 2.8 Ensure internet service is active and functioning for the POS at the at the time of the installation.
- 2.9 Ensure that the Participating Location's firewall is configured according to the Firewall White List for Brink POS Software and in accordance with the IP scheme in the Dairy Queen System Configuration Procedure, both as set forth in the Installation Guide.
- 2.10 Supply Dairy Queen approved payment devices for installation (unless such devices are included in the sales order for Participating Location). These devices must be injected and properly configured to integrate with Brink Software prior to the Installation Services.
- 2.11 Notify PAR of any installation cancellations or reschedules. Installations cancelled or rescheduled are subject to fees. Refer to Participating Location's Sales Order and the Installation and Abort Scenarios as set forth in the Installation Guide. To cancel services, contact the PAR Installation Planner via telephone or email. PAR business hours for rescheduling are 7:30 AM to 5:00 PM ET.
- 2.12 Pay the cost of all extra materials, tools, labor and other costs or expenses, if any, for PAR to revisit a Participating Location to correct a previous installation if such correction is a result of PAR following Dairy Queen's or Participating Location's installation instructions.
- 2.13 Provide written customer authorization of acceptance of work following onsite service delivery to include any open issues or concerns from service provided.
- 2.14 Ensure all site readiness requirements as defined in the Site Readiness Checklist and identified in the Pre-Installation Site Survey are complete and the Participating Location is ready for Installation Services at the time of the scheduled installation date.
- 2.15 If the Site Survey determines the Participating Location will require kitchen display ceiling mounts, the Participating Location will be responsible for installing any additional support structures required to mount the kitchen displays.



### **3.0 Assumptions**

- 3.1 PAR will not drill holes in counter tops.
- 3.2 PAR will not provide carpentry work.
- 3.3 Upon completion of the Pre-installation Site Survey, Participating location will be invoiced for the Site Survey Services. Participating Location agrees to pay for Pre-installation Site Survey in full even if the Participating Location does not purchase the PAR Brink POS System and POS Installation Services.
- 3.4 Only PAR-provided equipment (including their related cables, subcomponents, etc.,) will be installed.



**SCHEDULE B  
to Participation Agreement**

**SUBSCRIPTION SOFTWARE SERVICES  
TERMS AND CONDITIONS**

**1. RESTAURANT POINT OF SALE SOFTWARE SERVICE.**

- a. These Subscription Software Services (“**SSS**”) Terms and Conditions (“**SSS Terms**”) provides Participating Location with a license and right to use and access PAR’s proprietary web-based restaurant point of sale software service.
- b. PAR will provide the Subscription Software Services or SSS through a hosted server environment and through a licensed desktop software client (“**Licensed Software**”) that will act as the interface to the SSS. PAR hereby grants Participating Location a personal, non-transferable, and non-exclusive right and limited license to use the Licensed Software and all digital and printed documentation, training material, and other documentation and material provided by PAR to Participating Location (“**Documentation**”) in connection with the SSS solely for the purpose of managing Participating Location’s internal business.

**2. USE OF SSS.**

- a. **Participating Location Support.** PAR shall provide Participating Location with Level 1 and Level 2 Help Desk Support Services for the SSS as set forth in Exhibit A to this Schedule B.
- b. **Employee and Contractor Access and Use.** Participating Location may allow its employees and contractors to access the SSS in compliance with the terms of these SSS Terms, which access must be for the sole benefit of Participating Location. Participating Location is responsible for its employees and contractors’ compliance with these SSS Terms.
- c. **Participating Location Responsibilities.** Participating Location: (i) is solely responsible for the accuracy and completeness of the Participating Location Data (defined below) and all activity in its account in the SSS; (ii) must use commercially reasonable efforts to prevent unauthorized access to its account in the SSS and notify PAR promptly of any such unauthorized access; and (iii) may use the SSS only in accordance with the Documentation and applicable Law.
- d. **Restrictions:** Participating Location may not: (i) directly or indirectly access or use the Licensed Software or the SSS to process data or information for any person or entity other than Participating Location, and neither Participating Location nor its authorized users shall use or permit the SSS to be used as a service bureau, (ii) sell, resell, sublicense, loan, rent or lease the Licensed Software or the SSS, (iii) use the SSS to store or transmit infringing, unsolicited marketing emails, libelous, or otherwise unlawful or tortious material, or to store or transmit material in violation of third-party rights, (iv) interfere with or disrupt the integrity or performance of the SSS, or (iv) attempt to gain unauthorized access to the SSS or their related systems or networks.

**3. SERVICE LEVEL AGREEMENT, DISCLAIMER OF WARRANTIES AND LIMITATION OF LIABILITY.**

- a. **SSS Availability Warranty.** PAR warrants to Participating Location, (i) PAR will maintain the online availability of the SSS for a minimum of availability in any given month as provided in the Transaction Availability Warranty and the General Availability Warranty charts below

("Availability Warranties"), and (ii) that the functionality or features of the SSS may change but will not materially decrease during the Term.

For purposes of Section 3 a. (i) above, the SSS shall be considered unavailable and covered by the Availability Warranty set forth in the charts below when Participating Location is unable to:

- (iii) process a point of sale transaction (e.g. open and close an order in-store), excluding any outages and downtime set forth in Section 4) b) below ("**Transaction Availability Warranty**"); or
- (v) use the administrative portal to make and publish menu changes; or (iv) communicate with the Service through an application programming interface ("API"), excluding any outages and downtime set forth in Section b) below ("**General Availability Warranty**").
- b. **Outages and Downtime.** The following outages and downtime shall be excluded from the Availability Warranty: (i) requested by Participating Location; (ii) caused by Participating Location or Participating Location's contractors and agents; (iii) scheduled maintenance and upgrade purposes; (iv) caused by Participating Location's computer system, web browser, hardware or software applications, including third party integrations, not provided by PAR; (v) power failures; (vi) service failures caused by a service provider other than PAR or PAR's agents; (vii) damage to telecommunication facilities outside of PAR's control, other than acts taken by or caused by PAR personnel; (viii) outages and downtime that arises as a result of Participating Location's failure to upgrade or refresh required hardware and Equipment where such non-compliance was communicated by PAR to Participating Location with adequate advance notice and where compliance is consistent with good business practices; and (ix) outages and downtime that arise from excessive load (more than 20 requests per second on the API) by Participating Location or agents acting on Participating Location's behalf or at Participating Location's direction. PAR will provide Participating Location with one (1) week notice of any scheduled maintenance or upgrades, which shall occur after business hours local time. PAR shall only use occurrences exceeding 60 seconds to calculate downtime.
- c. **Service Level Credits.** PAR shall issue a credit equal to the pro-rated portion of the monthly SSS Service Fees for the downtime period attributable to PAR below the applicable threshold per month in accordance with the Availability Warranties as set forth in the charts below ("Availability Warranty Credit"):

| Transaction Availability | Service Level Credit/Refund                |
|--------------------------|--|
| Above 99.0% to 99.9%     | 10% of location's monthly SSS Service Fee  |
| Above 98.0% to 99.0%     | 20% of location's monthly SSS Service Fee  |
| Above 95.0% to 98.0%     | 30% of location's monthly SSS Service Fee  |
| Above 90.0% to 95.0%     | 60% of location's monthly SSS Service Fee  |
| 90% or less              | 100% of location's monthly SSS Service Fee |

| General Availability | Service Level Credit/Refund               |
|----------------------|---|
| Above 98 to 99.5%    | 10% of location's monthly SSS Service Fee |
| Above 95 to 98%      | 25% of location's monthly SSS Service Fee |
| Above 90% to 94.99%  | 50% of location's monthly SSS Service Fee |

All Availability Warranties set forth in this Section will be measured on a monthly basis over a twenty-four (24) hour period for each day of the applicable month in the aggregate for the SSS provided to Participating Location.

- d. **Service Level Reporting and Service Level Credit Application.** PAR will provide monthly reporting to Dairy Queen of PAR's performance with respect to the Availability Warranties listed herein. Any Availability Warranty failures that result in Service Level Credits will be aggregated and cumulatively applied to the Participating Location(s) following month's SSS Service Fees.
- e. **DISCLAIMER OF WARRANTIES.** EXCEPT FOR THE WARRANTIES SET FORTH ABOVE IN THIS SECTION 3, PAR MAKES NO WARRANTY AS TO THE SSS, THE LICENSED SOFTWARE OR THE RESULTS TO BE OBTAINED FROM PARTICIPATING LOCATION'S USE OF THE SSS OR THE LICENSED SOFTWARE. THE SSS AND THE USE OF THE LICENSED SOFTWARE ARE PROVIDED ON AN "AS IS" AND "AS AVAILABLE" BASIS WITHOUT WARRANTIES OF ANY KIND, EITHER EXPRESS OR IMPLIED, ALL OTHER WARRANTIES ARE DISCLAIMED AND EXCLUDED INCLUDING BUT NOT LIMITED TO WARRANTIES OF TITLE, NON-INFRINGEMENT OR IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. PARTICIPATING LOCATION ASSUMES FULL RESPONSIBILITY AND RISK FOR USE OF THE SSS, THE LICENSED SOFTWARE AND THE INTERNET. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, PAR DOES NOT WARRANT THAT THE SSS WILL BE UNINTERRUPTED, ERROR-FREE OR THAT UNAUTHORIZED ACCESS TO THE SSS BY THIRD PARTIES ("HACKING") CAN BE PREVENTED. THE EXPRESS WARRANTIES SPECIFIED IN THESE SSS TERMS OR FURNISHED WITH THE SSS BY PAR ARE IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. PAR DISCLAIMS AND EXCLUDES ANY AND ALL OTHER WARRANTIES.
- f. **NOTIFICATION OF OUTAGE BY PARTICIPATING LOCATION.** PARTICIPATING LOCATION MUST NOTIFY PAR IF THE PARTICIPATING LOCATION IS UNABLE TO TRANSACT AN ORDER OR USE THE SSS BY CONTACTING THE PAR HELP DESK. IF PAR HAS NO RECORD OF THE PARTICIPATING LOCATION CONTACTING THE PAR HELP DESK REGARDING SUCH OUTAGE WITHIN 60 DAYS OF THE END OF THE MONTH IN WHICH THE PARTICIPATING LOCATION EXPERIENCED THE OUTAGE, THEN PARTICIPATING LOCATION WILL BE DEEMED TO HAVE WAIVED ANY CREDITS THAT MAY HAVE BEEN AVAILABLE FOR SUCH OUTAGE. NOTWITHSTANDING THE FOREGOING IF PAR BECOMES AWARE OF A SYSTEM WIDE OUTAGE, PAR AND/OR DAIRY QUEEN MAY NOTIFY PARTICIPATING LOCATIONS OF SUCH OUTAGE AND IN SUCH INSTANCE PARTICIPATING LOCATION WILL NOT BE REQUIRED TO NOTIFY PAR IN ORDER TO OBTAIN A CREDIT.
- g. **LIMITATION OF LIABILITY.** TO THE MAXIMUM EXTENT PERMITTED BY LAW, UNDER NO CIRCUMSTANCES AND UNDER NO LEGAL THEORY, INCLUDING WITHOUT LIMITATION TORT, CONTRACT, OR OTHERWISE, SHALL EITHER PARTY BE LIABLE TO THE OTHER PARTY FOR ANY INDIRECT, SPECIAL, INCIDENTAL,

COVER, RELIANCE OR CONSEQUENTIAL DAMAGES, (INCLUDING WITHOUT LIMITATION LOSS OF BUSINESS PROFITS, LOSS OF SERVICE, BUSINESS INTERRUPTION, LOSS OF OR INCORRECT BUSINESS INFORMATION/DATA AND THE LIKE) SUFFERED OR INCURRED BY EITHER PARTY EVEN IF SUCH PARTY SHALL HAVE BEEN INFORMED OF THE POSSIBILITY OF SUCH DAMAGES. IN THE EVENT THAT, NOTWITHSTANDING THE FOREGOING, EITHER PARTY IS FOUND LIABLE TO THE OTHER PARTY FOR DAMAGES FROM ANY CAUSE WHATSOEVER, SUCH PARTY'S AGGREGATE ANNUAL CALENDAR YEAR (JANUARY 1 TO DECEMBER 31) LIABILITY TO THE OTHER PARTY IN CONNECTION WITH THIS PARTICIPATION AGREEMENT INCLUSIVE OF ALL SCHEDULES HERETO WILL BE LIMITED TO \$50,000 AND WITH RESPECT TO PAR'S LIABILITY TO PARTICIPATING LOCATION, LESS ANY AMOUNTS RECEIVED BY PARTICIPATING LOCATION AS SERVICE CREDITS FOR PAR'S FAILURE TO MEET ANY AVAILABILITY WARRANTY AS SET FORTH HEREIN. THE LIMITATIONS IN THIS SECTION DO NOT APPLY TO EITHER PARTY'S LIABILITY FOR ITS (OR ITS RESPECTIVE AGENTS AND/OR SUBCONTRACTORS) GROSS NEGLIGENCE OR WILFULL MISCONDUCT, WILFUL FAILURE TO COMPLY WITH LAW, FRAUD, INTELLECTUAL PROPERTY INFRINGEMENT, BODILY INJURY (INCLUDING DEATH) OR DAMAGE TO OR LOSS OF ANY TANGIBLE PROPERTY.

#### 4. MUTUAL CONFIDENTIALITY.

- a. **Definition of Confidential Information.** Confidential Information means all confidential information disclosed by a party (**Discloser**) to the other party (**Recipient**), whether orally or in writing, that is designated as confidential or that reasonably should be understood to be confidential given the nature of the information and the circumstances of disclosure (**Confidential Information**). PAR's Confidential Information includes without limitation PAR's pricing, the SSS, the Licensed Software, Documentation, and any part of the foregoing. Notwithstanding the foregoing, Recipient may disclose PAR's pricing to other franchisees within the Dairy Queen system.
- b. **Protection of Confidential Information.** The Recipient must use the same degree of care that it uses to protect the confidentiality of its own confidential information, but in no event less than reasonable care, or the level of care required by Law, not to disclose or use any Confidential Information of the Disclosing Party for any purpose outside the scope of these SSS Terms. The Recipient must make commercially reasonable efforts to limit access to Confidential Information of Discloser to those of its employees and contractors who need such access for purposes consistent with these SSS Terms, and in the case of PAR, who have signed confidentiality agreements with Recipient no less restrictive than the confidentiality terms of these SSS Terms or who are directed to comply with the provisions of these SSS Terms.
- c. **Exclusions.** Confidential Information *excludes* information that: (i) is or becomes generally known to the public without breach of any obligation owed to Discloser, (ii) was known to the Recipient prior to its disclosure by the Discloser without breach of any obligation owed to the Discloser, (iii) is received from a third party without breach of any obligation owed to Discloser, or (iv) was independently developed by the Recipient without use or access to the Confidential Information.
- d. **Disclosure Required by Law.** The Recipient may disclose Confidential Information to the extent required by law or court order but will provide Discloser with advance notice to seek a protective order. Recipient will only disclose the limited information required to be disclosed by law or the court order.

## 5. PROPRIETARY RIGHTS.

- a. **Reservation of Rights by PAR.** The software, workflow processes, user interface, designs, know-how, Licensed Software and Documentation, and other technologies provided by PAR as part of the SSS are the proprietary property of PAR and its licensors, and all right, title and interest in and to such items, including all associated intellectual property rights, remain only with PAR. PAR reserves all rights therein unless expressly granted in these SSS Terms. PAR shall have a royalty-free, worldwide, transferable, sublicenseable, irrevocable, perpetual license to use or incorporate into the SSS any suggestions, enhancement requests, recommendations or other feedback provided by Participating Location or its users relating to the operation of the SSS.
- b. **Participating Location Restrictions.** Participating Location *may not*:
  - i. Use the SSS or the Licensed Software and Documentation beyond its internal operations;
  - ii. Reverse engineer the SSS or the Licensed Documentation;
  - iii. Remove or modify any proprietary marking or restrictive legends in the SSS or Licensed Software and Documentation; or
  - iv. Access the SSS or use the Licensed Software and Documentation to build a competitive service or product, or copy any feature, function or graphic for competitive purposes.
- c. **Participating Location Owned Data.** All data uploaded by Participating Location remains the sole property of Participating Location, as between PAR and Participating Location (“**Participating Location Data**”), subject to the other terms of these SSS Terms. Participating Location grants PAR the right to use the Participating Location Data solely to the extent necessary to perform its obligations under these SSS Terms. Participating Location grants PAR the right to use non-identifiable aggregate Participating Location Data for purposes of reviewing and auditing performance of the SSS and improving the platform. Upon request, PAR will provide comma-separated files containing TLD (as defined below) data and Participating Location records.
- d. **Consent to Release Data to Dairy Queen.**
  - i. Participating Location hereby authorizes PAR to disclose, release and transmit any and all data collected by PAR from the point of sale (POS) systems in each of Participating Location’s sites to Dairy Queen, its subsidiaries and affiliates, including without limitation sales, labor, inventory, product mix, and data compiled or derived from such data. This authorization does not extend to any data that constitutes personally identifiable information about franchisee's employees, customers, representatives, agents, suppliers or vendors.
  - ii. In addition, notwithstanding anything to the contrary in any agreement between Participating Location and PAR, Participating Location acknowledges that the disclosures and transmissions to Dairy Queen, its subsidiaries and affiliates authorized in the previous paragraph shall not constitute a breach of the confidentiality obligation, or any other obligation (whether express or implied) of PAR under any such agreement, whether such agreement was entered into before, on or after the Effective Date of this Participation Agreement. PAR may rely on this authorization in making such disclosures and transmissions to Dairy Queen, its subsidiaries and affiliates.

## 6. TERM, TERMINATION, SUSPENSION OF SSS AND RETURN OF DATA.

- a. **Term.** The Initial Term of these SSS Terms shall begin upon Activation of the SSS in such location, and unless earlier terminated by either Participating Location or PAR pursuant to the terms set forth in these SSS Terms or this Participation Agreement shall be for a period of five (5) years. These SSS Terms shall automatically renew at the end of the Initial Term for additional successive periods of one (1) year (the “Renewal Term(s)”). The Initial Term and the Renewal Term(s) shall be referred to herein collectively as the “Term”.

- b. **Mutual Termination for Material Breach.** Except as otherwise provided herein, if either Participating Location or PAR is in breach of any material term of these SSS Terms, the other party may terminate these SSS Terms at the end of a written 30-day notice/cure period, if the breach has not been cured.
  - i. Actions upon Termination for Material Breach.
    - (a) *Upon any termination as provided in 6.b. above by Participating Location*, PAR must refund any prepaid and unused SSS Service Fees under these SSS Terms through the date of termination.
    - (b) *Upon any termination as provided in 6.b. above by PAR*, Participating Location must pay any unpaid and owed SSS Service Fees under these SSS Terms through the date of termination. The SSS will also be terminated.
- c. **Termination for Convenience by Participating Location.** Participating Location may terminate these SSS Terms for convenience, at any time, for any reason upon thirty (30) days' notice to PAR.
  - i. Actions upon Termination for Convenience.
    - (a) *Upon any termination as provided in 6.c. above by Participating Location*, PAR must refund any prepaid and unused SSS Service Fees under these SSS Terms through the date of termination.
- d. **Termination by Dairy Queen of Master Agreement.** If Dairy Queen terminates the Master Agreement for convenience and Participating Location elects to continue this Participation Agreement until the end of its then current Term, then Participating Location will need to contract directly with PAR for the continuation of menu maintenance services at PAR's then current rate for such services.
- e. **Upon Termination or Expiration (for any reason).** Upon termination or expiration of these SSS Terms (for any reason), Participating Location must destroy the Licensed Software and return all Documentation and all other property of PAR. Participating Location will confirm its compliance with this requirement in writing upon request of PAR.
- f. **Return of Participating Location Data.**
  - i. *Within 90-days after termination*, upon request by Participating Location, PAR will make the Participating Location Data available for no charge, in the format specified in Section 5.c.
  - ii. *After such 90-day period*, PAR has no obligation to maintain the Participating Location Data and may destroy it.

## 7. FEES, INVOICES AND LATE PAYMENTS.

- a. **SSS Service Fees.** To subscribe to the SSS, Participating Location shall pay the software subscription fees on a monthly basis ("**SSS Service Fees**"). For any Participating Locations that operate their business on a "seasonal basis" they will pay SSS Service Fees for 8 months a year starting each calendar year on April 1 through November 30. The SSS Service Fees shall be non-refundable, except as otherwise provided herein. In addition, Participating Location shall pay any monthly fees for Support Services for each month Participating Location is open and conducting business ("**Support Services Fees**").
- b. **Payment.** Participating Location's account will be automatically debited monthly through ACH for the SSS Service Fees and the Support Service Fees, during the Term of these SSS Terms, which payment will commence upon the Activation of the SSS at Participating Location's participating location. An interest charge of 1.5% per month, or the maximum applicable under State law, shall be paid on all overdue accounts to the extent permitted by law.

8. **Governing Law.** These SSS Terms shall be construed and interpreted in accordance with the laws of the State of Delaware, without regard to its conflict of laws principles or rules. The English language version of these SSS Terms shall govern and control any translation of these SSS Terms into any other language. The word “including” shall mean including without limitation.

9. **Indemnity.**

- a. **By PAR for Intellectual Property Infringement Claims.** If a third-party alleges that Participating Location’s use of the Licensed Software or the SSS (other than related to the Participating Location Data) infringes, misappropriates or otherwise violates that party’s patent, copyright or other intellectual property or proprietary right, PAR shall defend and indemnify Participating Location against that claim at PAR’s expense and pay all costs, damages, and attorney’s fees, that a court finally awards or that are included in a settlement approved by PAR, provided that Participating Location:
- i. promptly notifies PAR in writing of the claim; provided however, failure to provide prompt notice shall not relieve PAR of its indemnification obligations, unless such delay results in material prejudice to PAR; and
  - ii. allows PAR to control, and cooperates with PAR in, the defense and any related settlement.

If such a claim is made, PAR could continue to enable Participating Location to use the Licensed Software or SSS or to modify it. If PAR determines that these alternatives are not reasonably available, PAR may terminate the SSS (without any liability to Participating Location except with respect to PAR’s indemnification obligations herein) upon prior notice to Participating Location and with the return of any prepaid and unused SSS Service Fees. Notwithstanding the foregoing, PAR will not have any indemnification obligations hereunder to the extent such infringement is caused by: the modification of the SSS by Participating Location or a third party at Participating Location’s request; the use of the SSS in conjunction with equipment or software not provided or approved by PAR; or use of the SSS inconsistent with its intended purpose or which is not in conformance with PAR’s reasonable instructions. THE FOREGOING STATES THE ENTIRE LIABILITY OF PAR TO PARTICIPATING LOCATION CONCERNING WARRANTIES OF INTELLECTUAL PROPERTY RIGHTS AND INDEMNIFICATION OF INTELLECTUAL PROPERTY INFRINGEMENT, INCLUDING, BUT NOT LIMITED TO, PATENT, COPYRIGHT, TRADEMARK, TRADE DRESS AND TRADE SECRETS.

- b. **By PAR in General.** PAR will defend and indemnify Participating Location, its affiliates and their respective officers, directors, employees, agents, successors, and assigns from and against any and all damages, losses, fines, penalties, costs, expenses, liabilities and other amounts (including reasonable attorney fees and expenses) (“Losses”) suffered or otherwise incurred by any of them arising from or in connection with or otherwise relating to: (i) bodily injury (including death) or damage to or loss of any tangible property caused by the negligent acts or omissions of PAR or its sub-contractors and their respective officers, directors, employees, agents, suppliers, sub-suppliers, successors and assigns in providing the SSS or Help Desk Support Services; (ii) gross negligence or willful misconduct of PAR or its sub-contractors and their respective officers, directors, employees, agents, suppliers, sub-suppliers, successors and assigns in providing the SSS and/or Help Desk Support Services, and (iii) any violation of Law by PAR or its sub-contractors and their respective officers, directors, employees, agents, suppliers, sub-suppliers, successors and assigns or any of their respective employees, officers, directors, agents or representatives in providing the SSS and/or Help Desk Support Services. Notwithstanding the foregoing, PAR is not liable to defend, indemnify or hold harmless



Participating Location for any Losses directly arising from: (y) the negligent or willful misconduct of the Participating Location; or (z) any violation of Law by Participating Location or its sub-contractors and their respective officers, directors, employees, agents, suppliers, successors and assigns or any of their respective employees, officers, directors, agents or representatives.

- c. **By Participating Location.** If a third-party alleges that the Participating Location Data infringes or violates a right of that third-party, Participating Location shall defend PAR against that claim at Participating Location's expense and pay all costs, damages, and attorney's fees, that a court finally awards or that are included in a settlement approved by Participating Location, provided that PAR:
  - i. promptly notifies Participating Location in writing of the claim; and
  - ii. allows Participating Location to control, and cooperates with Participating Location in, the defense and any related settlement.

#### 10. MISCELLANEOUS OTHER TERMS.

- a. **Money Damages Insufficient.** Any breach by Participating Location or PAR of these SSS Terms or violation of the other party's Intellectual Property Rights could cause irreparable injury or harm to the other party. The other party may seek a court order to stop any breach or avoid any future breach.
- b. **Force Majeure.** PAR and Participating Location shall not be liable for any delay in performance under these SSS Terms resulting from any cause beyond PAR or Participating Location's reasonable control, including without limitation, any act of God, fires, storms, floods, explosions, strikes, work stoppages or slowdowns, or other industrial disputes, legal action, failure or delay of supplies from ordinary sources, accidents, riots, war or civil disturbances, or acts of civil or military authorities.
- c. **Entire Agreement and Changes.** These SSS Terms and the order constitute the entire agreement between the parties, and supersede all prior or contemporaneous negotiations, agreements and representations, whether oral or written, related to this subject matter. The sole terms and conditions governing the purchase of the SSS from PAR are contained in these SSS Terms and any terms or conditions contained on the face or back of any Participating Location purchase order or other document shall be without effect. No modification or waiver of any term of these SSS Terms is effective unless both parties sign it.
- d. **No Assignment.** Neither Participating Location or PAR may assign or transfer these SSS Terms or an order to a third party, without prior written consent of the other party, which shall not be unreasonably withheld; provided, however, these SSS Terms with all orders may be assigned as part of a merger, or sale of all or substantially all of the business or assets, of a party.
- e. **Independent Contractors.** The parties are independent contractors with respect to each other.
- f. **Enforceability.** If any term of these SSS Terms is invalid or unenforceable, the other terms remain in effect.
- g. **Survival.** Any terms that by their nature survive termination or expiration of these SSS Terms, will survive including but not limited to Sections 3, 4, 5, 6, 8, 9 and 10.
- h. **CISG Not Apply.** The Convention on Contracts for the International Sale of Goods does not apply.
- i. **Notices.** Notices shall be deemed given upon receipt. Any notices required to be given shall be in writing and in the case of notice to Participating Location, shall be sent to the billing address or fax number on the SSS order. In the case of notice to PAR, such notice shall be sent via postage prepaid certified mail or by overnight courier to: ParTech, Inc. (Attn: Legal Department); ParTech Technology Park; 8383 Seneca Turnpike; New Hartford, NY 13413-4991.

- j. **Consumer Mobile/On-line Ordering, Payment Processing & Restaurant Reservation.** (Applicable to use within the U.S. only). PAR currently has a license agreement with Ameranth, Inc. Participating Location's use of the Licensed Software or SSS to process mobile/on-line ordering for food/beverage orders, payment processing, restaurant reservations and the processing of such transactions on a wireless handheld computing device and on internet web pages is covered by PAR's license agreement with Ameranth, as long as Participating Location is using the Licensed Software or SSS to process these transactions, and Participating Location is paying PAR a transaction processing fee. If Participating Location is using its own proprietary software or third-party software integrated to the Licensed Software or SSS to process these transactions, Participating Location's use is not covered by PAR's license agreement with Ameranth, and Participating Location would need a separate license agreement (or other authorization) from Ameranth to Participating Location or a third party that Participating Location licenses from to process such transactions. If Participating Location has questions about the application of the Ameranth patents to Participating Location's own proprietary software or any third-party software, Participating Location should obtain legal advice before Participating Location develops any integration.
- k. **Definitions.** All capitalized terms used in these Terms, to the extent not defined elsewhere in these Terms, shall have the following meanings: "**Participating Location**" means the location within the Dairy Queen or Orange Julius franchise systems which chooses to purchase Equipment and license and receive access to software through the PAR Solution by signing the Participation Agreement. "**Intellectual Property Rights**" are all patents, patent applications, trademarks, inventions (whether or not patentable), know-how, designs, mask works, processes, methodologies, service marks, copyrights and copyrightable works, trade secrets, data, designs, manuals, training materials and documentation, formulas, knowledge of processes, methods, products and product specifications and all other intellectual property rights as these terms are understood under Law, including any modifications, adaptations, adjustments, enhancements, updates, improvements, alterations and corrections thereto and other derivative works thereof. "**Law**" means any federal, state, county or local law, ordinance, statute, rule, or regulation to the extent it applies to either party, its property, or its obligations in connection with this Participation Agreement. "**PAR**" means ParTech, Inc., a New York corporation.

## EXHIBIT A TO SCHEDULE B

### LEVEL 1 & LEVEL 2

#### HELP DESK SUPPORT SERVICES

##### 1. DEFINITIONS

- a. **“Communication Cadence Time”** shall mean the periodic updates that shall be given to a Participating Location based on the severity of the Issue as set forth in Section 3.
- b. **“External Case Referral”** shall mean PAR’s referral of a Help Desk Case to Dairy Queen (EPOS) or to a third party, including, but not limited to NetSurion (firewall), Verifone (payment device), credit card processor/bank or back office provider after PAR has determined that the issue is not related to the PAR Solution.
- c. **“Issue”** shall mean an Urgent (P1), Medium (P2) or Low (P3) as defined in the chart below in Section 3 and excludes training on the PAR Solution that exceeds more than 15 minutes.
- d. **“Resolution Times”** shall mean the amount of time from which an Issue is reported by Dairy Queen or a Participating Location to PAR and PAR provides a fix, workaround, escalation to development or a referral of the Issue.
- e. **“Response Times”** shall mean the time by which the PAR Help Desk responds to an incoming Help Desk Support Case from a Participating Location for Help Desk Support Services.
- f. **“Help Desk Support Case”** shall mean a case from a Participating Location that relates to assistance with the use of, or an interruption in the operability of the Equipment, Licensed Software, PARPay Services or Subscription Software Services.

##### 2. HELP DESK SUPPORT SERVICES

- a. PAR will provide a toll-free number and trained technical staff, available 24 hours a day, 7 days a week, 365 days a year to respond to Participating Location’s requests for support.
- b. PAR will provide hardware diagnostic and operational/procedural support to assist Participating Locations with questions and in identifying and resolving problems with the Equipment, Licensed Software, PARPay Services Subscription Software Services
- c. Help Desk Support covers the following types of requests:
  - Resolution or explanation of Licensed Software or Subscription Software Services generated error messages.
  - Assistance with user or operational problems that occur during system operations.
  - Guidance with procedural and system functionality or capability questions.
  - Research, identification and escalation of defects in the Equipment, Licensed Software, PARPay Services and the Subscription Software Services.
  - Assistance with the identification of programming issues or changes necessary to correct functionality or reporting issues.
  - Recommendations for proper system maintenance.
  - Root cause analysis of crashes and/or problems of the Equipment, Licensed Software, PARPay Services and Subscription Software Services.
  - Resolution of supported printer or other peripheral problems directly related to Equipment, Licensed Software, PARPay Services or the Subscription Software Services.
  - Referral to third parties after the Equipment, Licensed Software, PARPay Services and the Subscription Software Services is ruled out as the possible cause of the problem.
  - General information concerning system requirements to the Licensed Software and capability.
- d. PAR will attempt to resolve all Help Desk Cases utilizing the appropriate resource for any given Issue.

### 3. HELP DESK SUPPORT SERVICES SERVICE LEVELS

Help Desk Support Cases will be held open and PAR will continue the Communication Cadence with the Participating Location until final resolution is confirmed by the Participating Location regardless of whether PAR has made an External Case Referral. If PAR follows up with the Participating Location more than three (3) times attempting to confirm resolution without a response, then PAR will close the case noting that PAR did not receive a response.

All Service Levels set forth in this Section will be measured on a monthly basis cumulative of all Help Desk Support Services provided to all Participating Locations in the Dairy Queen system.

PAR will use commercially reasonable efforts to respond to all Participating Location(s) requests for Help Desk Support Services within the (a) Response Times, (b) Resolution Times and (b) Communication Cadence Times set forth in the chart below.

| <b><u>Severity of Issue</u></b> | <b><u>Description</u></b>   | <b><u>Response Time</u></b>   | <b><u>Resolution Time</u></b>       | <b><u>Communication Cadence Times</u></b> |
|---------------------------------|---|---|-------------------------------------|---|
| Urgent (P1)*                    | Issue with the Equipment, Licensed Software or Subscription Software Services that causes a loss of material functionality of any of the following: <ul style="list-style-type: none"> <li>• a terminal</li> <li>• one or more kitchen production area monitor</li> <li>• 50% or more of printers</li> <li>• payment processing and/or one or more payment processing devices</li> </ul>                            | 90% responded to within 15 minutes of receipt of call by PAR's Help Desk  | 95% resolved within 60 minutes      | Hourly                                    |
| Medium (P2)                     | <ul style="list-style-type: none"> <li>• Issue with the Equipment, Licensed Software or Subscription Software Services that requires circumvention or workaround of documented functionality, but the overall material functionality of the affected item is still maintained.</li> <li>• Issue with the Equipment, Licensed Software or Subscription Software Services that impacts reporting accuracy.</li> </ul> | 90% responded to within 30 minutes of receipt of call by PAR's Help Desk  | 90% resolved within 3 hours         | Daily                                     |
| Low (P3)                        | Issue is operational/procedural and can be readily worked around. For example, the issue occurs sporadically (equal to or less than 2 times per day) and does not impact the ability to process an order.   | 90% within 120 minutes of receipt of call by PAR's Help Desk<br><br>-----<br>Any e-support ticket is responded to by next | 90% resolved within 5 business days | Weekly                                    |

| <b><u>Severity of Issue</u></b>               | <b><u>Description</u></b>   | <b><u>Response Time</u></b>  | <b><u>Resolution Time</u></b> | <b><u>Communication Cadence Times</u></b> |
|---|---|--|-------------------------------|---|
|   |   | business day, during business hours.   |                               |   |
| After Hours support 8pm to 6 am Mountain Time | All P1 after hours support requests dispatched to Level 1 PAR Help Desk team<br>-----<br>All P2 and P3 after hours support requests, dispatched to Level 1 PAR Help Desk team for next business day | 90% responded to within 30 minutes of receipt of call by PAR's Help Desk.<br>-----<br>Response within 120 minutes of business start at 6am Mountain Time | Same as above                 | Same as above                             |

If a P1 call is placed to the Help Desk prior to 3 PM eastern time (Monday through Friday) or prior to 10 AM eastern time (Saturday), the progress of the Resolution Time will be closely tracked by the Help Desk with an awareness of the deadline to ship out replacement Equipment in accordance with Advance Exchange Services to ensure that if the issue is an Equipment issue and it cannot be resolved by the Help Desk, replacement Equipment can be delivered for next day arrival.

**4. PARTICIPATING LOCATION RESPONSIBILITIES.** Participating Location agrees to:

- Designate a knowledgeable resource to accurately communicate and collaborate with the Help Desk.
- Perform regularly scheduled system and database backups and ensure that they are available when required.
- Maintain a working phone line or broadband connection and remote connection method that allows for remote diagnosis of the PAR Solution.
- Maintain and manage adequate firewall and virus protection.
- Maintain access to all required software, including operating system installation media, PAR application software and applicable service pack, system specific driver files and any applicable license or key codes.
- Assist with the resolution of all system related problems. Participating Locations can expect to be required to dedicate some time to assist PAR in resolving problems.
- Be prepared to provide all information needed including error codes, process or procedures leading up to the error and any other information that may be relevant and might help to expedite the resolution.

**5. EXCLUSIONS FROM COVERAGE.** The following items are excluded from the Help Desk Support Services:

- In-depth training that requires more than 15 minutes of time.
- Assistance with configuration, installation or addition of new hardware or peripherals, where the operation requires a certified PAR installation or professional services specialist, unless such assistance is in support of AE Equipment provided under the Advance Exchange Service pursuant to the Equipment Terms and Conditions of Sale.
- Resolution of problems related to third party applications or equipment not sold by PAR.
- Issues related to the installation, administration and use of technologies that may be connected to the PAR Solution but were not certified as PAR supported products.

- Resolution of problems or issues related to Participating Location's installed and maintained network, including any wireless network solution. External Case Referral will be made by PAR.
- Resolution of problems or issues related to virus or firewall management. External Case Referral will be made by PAR.
- Reinstallation of operating system from scratch, assisting with loading of operating system upgrades, patches or release supplements or restoration of files. This is handled as part of the Advance Exchange Service.
- Performing system administration tasks including but not limited to adding users, maintaining file system or database integrity, monitoring system resource, performing backup and storing software.
- Performing system configuration changes as a result of the Participating Location's decision to change internet or credit card processing providers.
- Performing system configuration changes as a result of the Participating Location's responsibilities to maintain compliance with PCI-DSS.
- Configuration or testing of third-party interfaces not approved by PAR. Help Desk Support will be limited to troubleshooting third-party interfaces approved by PAR (e.g. Restaurant Magic).
- Programming of new reports or reprinting of reports and journals from archive.
- Audit accounting or balancing of transactional detail. Issues related to cash or credit imbalances are not covered under any support agreement and are the responsibility of the customer. While technical advice regarding a specific report may be given, it is not the responsibility of PAR to determine whether a cash or credit imbalance exists or to determine the cause of the alleged imbalance. PAR agents will refrain from any manipulation of statistics or investigation of deposits or other financial transaction details, including reposting of any sales totals or transactions, including credit card sales or transactions, related to the Participating Location's request.
- Assistance with or correction of issues, including, rebuilding of database tables, totals files, reposting of totals or any manual manipulation of database files when the root cause of the issue is determined to be the Participating Location's user environment. If PAR personnel conclude that a problem being reported by a Participating Location is due to defects in the Participating Location's user environment, PAR will notify the Participating Location. Examples of defects in the user environment would include: electrical disturbance due to sub-standard electrical system installation or poor electrical supply, software failures that result from the installation of other third-party software, viruses contracted via the internet, incorrectly installed equipment which creates electrical disturbance, or natural disasters created by fire, flood or any other "acts of god".



## SCHEDULE C

### PARPay™ SERVICE TERMS & CONDITIONS

These PARPay™ Service Terms and Conditions for are only applicable if Participating Location is purchasing/licensing PARPay™ Service (“PARPay Services”), along with an approved Device (all as defined below).

**Terms and Conditions.** These Terms and Conditions (“PARPay Terms”) provides Participating Location with a license and right to use and access the PARPay Services. These PARPay Terms constitute the agreement between PAR and Participating Location with respect to Participating Location’s use of the PARPay Services and supersedes and cancels any prior discussions, understandings, or representations between PAR and Participating Location. No addition to or modification of these PARPay Terms shall be binding upon either party unless expressly agreed to by PAR and Participating Location in writing, and, if these PARPay Terms are deemed an offer, acceptance is expressly limited to these Terms. Capitalized terms used herein and not otherwise defined herein shall have the meanings set forth in Section A.1 below or elsewhere in the Participation Agreement.

#### SECTION A: PARPAY SERVICES

##### 1. DEFINITIONS APPLICABLE TO PARPAY SERVICES.

- a. **“Authorized Users”** means any of Participating Location’s employees or agents authorized by Participating Location to access and use the PARPay Services.
- b. **“Corporate Network”** this includes all the hardware and the software configuration on the network devices including switches and firewalls in Participating Location’s corporate datacenter, if applicable, or in the store and at Participating Location’s corporate office.
- c. **“Device”** means approved credit card terminals or pin-pads listed in Schedule C-1 loaded with approved software and security keys.
- d. **“Device Management Services”** means services provided to manage Participating Location’s inventory of devices, including tracking the number of Devices, location, serial number, features enabled on each Device and alerts set on each Device.
- e. **“Device Software”** means the software which resides on a Device, communicates with the PARPay Service and enables Participating Location’s access to the PARPay Service.
- f. **“Gift/Credit/Debit Card Masked Data”** means the last four (4) digits of the card number.
- g. **“Gift/Credit/Debit Card Number”** means the number encoded on the magnetic stripe, the Europay Mastercard and Visa (“EMV”) chip, or embossed/printed on the face of the Gift/Credit/Debit Card that identifies the Gift/Credit/Debit Card.
- h. **“Gift/Credit/Debit Card Unmasked Data”** means all data associated with a Gift/Credit/Debit Card necessary or appropriate to permit the Gift/Credit/Debit Cards to operate under the Services and in

compliance with all applicable laws, including the cardholder name, primary account number, expiration date, card security code (CSC) or service code.

i. **“Gift/Credit/Debit Card”** means a plastic card with encoded card number used as a token for the transaction.

j. **“Gift/Credit/Debit Card Data”** means all the data derived from EMV chip on a Gift/Credit/Debit Card, Near Field Communication (“NFC”), Apple® Pay and magnetic stripe reader (“MSR”) technology that Participating Location’s customer may use to swipe/insert/tap on the Device.

k. **“Participating Location PARPay Data”** means information derived from the Gift/Debit/Credit card and additional prompts enabled on the Device platform as part of a Gift/Credit/Debit Card transaction submitted by Participating Location electronically through the Service including Transaction Data and Settlement Data.

l. **“Participating Location Tokens”** means a derived alphanumeric value that is linked with a Gift/Debit/Credit card. This token cannot be used to process a payment transaction but is only used within Participating Location’s database of Participating Location PARPay Data to uniquely identify a customer.

m. **“PARPay Service”** means the PARPay services made available to Participating Location by PAR for the PARPay Service Fees (as defined herein) paid by Participating Location, which allow Participating Location to issue Gift Cards to customers and/or accept Credit and Debit Cards from customers using the platform to enable (i) Participating Location to register and monitor sales and usage of each Gift /Credit/Debit Card only via Participating Location Tokens, (ii) customers to use Gift/Credit/Debit Cards to purchase goods and services at Participating Location’s locations (iii) for Participating Location to access, read, and confirm all customer Gift/Credit/Debit Card Data only via Participating Location Tokens and to create reports in various formats regarding sale and related transactions.

n. **“State Management Services”** means services provided to remotely diagnose and troubleshoot issues with the Devices, including providing bug fixes and Device Software updates in accordance with Section A.6. below.

o. **“Store Network”** this includes the hardware and the software configuration on the network devices including switches and firewalls in Participating Location’s location.

p. **“Store Place Portal”** means the web-based portal backend business intelligence reporting and analysis tool that can be accessed anywhere via the internet or wirelessly from a mobile phone or computer available to Participating Locations as part of the PARPay Service.

q. **“Transaction Data”** means Gift/Credit/Debit Card Masked Data, sale amount, date, store number, transaction type, transaction status, transaction time, customer name and transaction amount.

r. **“User Documentation”** means the technical information or materials developed by us and provided to Participating Location in connection with the use of the PARPay Service.

**2. PAYMENT PROCESSING SERVICE.** Payment processing enables Participating Location to provide credit, debit card processing and private card processing via the internet or wirelessly. The PARPay Service provides EMV, NFC, Apple® Pay and MSR compliant transaction management linking to international acquirers. The PARPay Service is subject to change or may be updated at any time at PAR’s discretion. We will notify Participating Location within fifteen (15) days of any changes. The PARPay Service includes point to



point encryption (P2PE v2.0), transport layer security (TLS v.1.2) and tokenization technology to process payments. Certified and supported payment processors are set forth on Schedule C-2.

**3. DEVICE MANAGEMENT & STATE MANAGEMENT SERVICES.** Device Management and State Management Services are provided to Participating Location, at its option, as part of the PARPay Services at no additional charge.

**4. STOREPLACE PORTAL.** PAR will provide the StorePlace Portal which allows Participating Location to view credit card transactions and settlement details, analyze payment trends, reconcile payments and manage chargebacks across all Participating Location's locations. At a minimum, the StorePlace Portal shall include the following:

- Transaction Data.
- Settlement data which includes all Transaction Data plus the date and time of settlement and batch number from payment processor ("Settlement Data").
- Consolidated Transaction Data and charts by card type (Visa, MCI, Amex)
- Sort and filter Transaction Data fields
- Corporate administrator rights to perform settlement adjustments (refund\void\sale)
- Statistics and charts to determine for customer spend by transaction, average spend by customer visit, number of transactions
- Ability to export transaction and settlement reports into Microsoft® Excel.
- Automatic settlement on a nightly basis from the Store Place Portal. Settlement time is determined by Participating Location at time of set up of the PARPay Service.

**5. OPTIONAL PARPAY SERVICES.** The availability of these optional services is subject to the Device selected; point of sale integration; and/or payment processor integration. The optional PARPay Services are included in the monthly PARPay Service Fees. One-time set-up fees may apply. Participating Location can contact PAR for further information on these Optional PARPay Services.

**a. Media Content:** either static or video on the DEVICE (set up fees apply)

**b. Standard Reward Programs:**

Type of Rewards Program

- Cumulative spending
- Purchase frequency
- Peak/Non-Peak
- SKU level rewards

Reward Redemption Options

- \$\$ -Dollars
- % Percentage

- SKU
- c. CRM Surveys provided on DEVICE (set up fees apply)
- d. Charity/Donations provided on DEVICE (set up fees apply)
- e. SKU displays on DEVICE
- f. Tip/Gratuity entry on DEVICE
- g. AVS Security
- h. Paperless receipt - Text or Email
- i. Split Tender display on DEVICE
- j. Signature Capture
- k. Store and Forward
- l. ApplePay
- m. SamSung Pay
- n. Internationalization on DEVICE – (option to change DEVICE language: i.e. English to Spanish)

**6. UPDATES TO THE DEVICE SOFTWARE/PARPAY SERVICE.** Participating Location will receive updates and upgrades to the Device Software and PARPay Services generally made available to PAR's other customers as part of Participating Location's monthly PARPay Service Fees. Updates, fixes and minor enhancements will be made at PAR's discretion to improve the performance and features of the Device Software and PARPay Service. Any updates will be made between 2:00 am and 5:00 am EST. Updates and fixes may need to be made to the Device Software and PARPay Service on an emergency basis during business hours. If such emergency updates are needed, PAR will coordinate with Participating Location to determine when such updates can be made.

## **SECTION B: AVAILABILITY OF PARPAY SERVICE AND DATA.**

**1. Transaction Availability Warranty.** PAR warrants that the PARPay Service shall be capable of being accessed by Participating Location and by Participating Location's Authorized Users at least 99.9% of the time measured on a monthly basis, excluding outages and downtime set forth in Section B.2. below (the "PARPay Transaction Availability Warranty").

**2. Outages and Downtime.** The following outages and downtime shall be excluded from the Availability Warranty: (i) requested by Participating Location; (ii) caused by Participating Location or Participating Location's contractors and agents; (iii) scheduled maintenance and upgrade purposes; (iv) caused by Participating Location's computer system, web browser, hardware or software applications, including third party integrations, not authorized by PAR; (v) power failures; (vi) service failures caused by a service provider other than PAR or PAR's agents; (vii) damage to telecommunication facilities outside of PAR's control, other than acts taken by or caused by PAR personnel; (viii) outages and downtime that arises as a result of Participating Location's failure to upgrade or refresh required software or hardware where such non-compliance was communicated by PAR to Participating Location with adequate advance notice and where compliance is consistent with good business practices. PAR will provide Participating Location with one (1) week notice of any scheduled maintenance or upgrades, which shall occur after business hours local time. PAR shall only use

occurrences exceeding 60 seconds to calculate downtime.

**3. PARPay Service Level Credits.** PAR shall issue a credit equal to the pro-rated portion of the monthly PARPay Service Fees for the downtime period attributable to PAR below the applicable threshold per month in accordance with the PARPay Transaction Availability Warranty set forth in the charts below (“Availability Warranty Credit”):

| <b>PARPay Transaction Availability Warranty</b> | <b>Service Level Credit/Refund</b>            |
|---|---|
| Above 99.0%-99.9%                               | 30% of location’s monthly PARPay Service Fee  |
| Above 98.0% to 99.0%                            | 45% of location’s monthly PARPay Service Fee  |
| Above 95.0% to 98.0%                            | 60% of locations’ monthly PARPay Service Fee  |
| Above 90.0% to 95.0%                            | 80% of location’s monthly PARPay Service Fee  |
| 90% or less                                     | 100% of location’s monthly PARPay Service Fee |

All Availability Warranties set forth in this Section will be measured on a monthly basis over a twenty-four (24) hour period for each day of the applicable month in the aggregate for the PARPay Service Fees provided to Participating Location.

**4. PARPay Service Level Reporting and PARPay Service Level Credit Application.** PAR will provide monthly reporting to Dairy Queen of PAR’s performance with respect to the PARPay Transaction Availability Warranty listed herein. Any PARPay Transaction Availability Warranty failures that result in PARPay Service Level Credits will be aggregated and cumulatively applied to the Participating Location(s) following month’s PARPay Service Fees.

## **SECTION C: USE OF DEVICE SOFTWARE/PARPAY SERVICE.**

### **1. LICENSE AND RIGHT TO USE THE DEVICE SOFTWARE AND PARPAY SERVICE.**

Subject to the terms and conditions of these PARPay Terms, PAR grants Participating Location and Participating Location hereby accepts: (a) a personal, non-transferable, and non-exclusive right and limited license to use the payment application software (“Device Software”) on an approved payment application device; and (b) a personal, non-transferable, and non-exclusive right and limited license to use the PARPay Service implemented by the Device Software, as well as technical information or materials developed by PAR and provided to Participating Location in connection with the use of the PARPay Service (“User Documentation”), all solely for the purpose of processing credit/debit/gift card transactions for Participating Location’s business (“Purpose”). The use of any third party software shall also be subject to the terms and conditions of any end user license agreement provided for such software.

**2. USAGE RESTRICTIONS -** Participating Location shall not directly or indirectly access or use the Device Software or the PARPay Service to process data or information for any person or entity other than Participating Location, and neither Participating Location nor Participating Location’s Authorized Users shall use or permit the Device Software or PARPay Service to be used as a service bureau. These PARPay Terms do not give Participating Location’s customers any right to use the Device Software or PARPay Service. Participating Location may not resell or transfer Participating Location’s right to use the Device Software or PARPay Service to any third party, including without limitation any resellers or distributors. Participating

Location may not loan, lease, rent, disclose, sell, transfer, sublicense, or otherwise use, copy, or distribute copies of the Device Software or PARPay Service, in whole or in part, including without limitation any screens, content, graphics, or output of the Device Software or PARPay Service, except that Participating Location may print out reports and comparisons in connection with the Purpose and not for any other use, except as expressly permitted by these PARPay Terms. Participating Location also may not use the Device Software or PARPay Service to create any tables, files, databases, derivative works, or other compendiums or works, except as expressly permitted by these PARPay Terms. The PARPay Service does not include an Internet access service; Participating Location must separately arrange for and pay for access to the Internet in order to access and use the Service.

**3. AUTHORIZATION** - As long as Participating Location remains in good standing, Participating Location and those of Participating Location's employees who have been duly registered as an Authorized User and whose registration is current are authorized to access the PARPay Service only through the use of both (1) the unique username issued to Participating Location for each Participating Location Authorized User enrolled in the PARPay Service, and (2) the corresponding unique password created by each of Participating Location's Authorized Users in connection with their username. PAR reserves the right to inactivate or "timeout" a session after a reasonable amount of time of inactivity by an Authorized User. Participating Location shall be solely responsible for the manner in which Participating Location and Participating Location's Authorized Users use the PARPay Services. Participating Location shall ensure that only Authorized Users have access to any user identifications or passwords for use in connection with the PARPay Services and shall not disclose such identifications or passwords to any other individual. Participating Location acknowledges and agrees that Participating Location is solely responsible for strictly maintaining the confidentiality and integrity of such identifications and passwords and Participating Location shall indemnify and hold PAR harmless from and against any liability, damages, or costs arising from Participating Location's failure to comply with this obligation including, but not limited to, improper or unauthorized account access using Participating Location's user identifications or passwords, provided such identifications or passwords were not improperly disseminated by PAR, its third party provider or any of their representatives. Participating Location shall notify PAR immediately in writing if the security or integrity of an identification or password has been compromised.

#### **SECTION D: PARPAY SERVICE TERM, SERVICE FEES AND TERMINATION.**

**1. TERM** – The Initial Term of these PARPay Terms shall begin upon the date the PARPay Services are first used to process a transaction in Participating Location, and unless earlier terminated by either Participating Location or PAR pursuant to the terms set forth in these PARPay Terms or this Participation Agreement shall be for a period of five (5) years. These PARPay Terms shall automatically renew at the end of the Initial Term for additional successive periods of one (1) year (the "Renewal Term(s)"). The Initial Term and the Renewal Term(s) shall be referred to herein collectively as the "Term".

**2. MUTUAL TERMINATION FOR MATERIAL BREACH.** Except as otherwise provided herein, if either Participating Location or PAR is in breach of any material term of these PARPay Terms, the other party may terminate these PARPay Terms at the end of a written 30-day notice/cure period, if the breach has not been cured.

i. Actions upon Termination for Material Breach.

- a. *Upon any termination as provided in D.2. above by Participating Location*, PAR must refund any prepaid and unused PARPay Service Fees under these PARPay Terms through the date of termination.

- b. *Upon any termination as provided in D.2 above by PAR, Participating Location must pay any unpaid and owed PARPay Service Fees under these PARPay Terms through the date of termination. The PARPay Services will also be terminated.*

**3. TERMINATION FOR CONVENIENCE BY PARTICIPATING LOCATION.** Participating Location may terminate these PARPay Terms for convenience, at any time, for any reason upon thirty (30) days' notice to PAR.

i. Actions upon Termination for Convenience.

- a. *Upon any termination as provided in D.3 above by Participating Location, PAR must refund any prepaid and unused PARPay Service Fees under these PARPay Terms through the date of termination.*

**4. UPON TERMINATION OR EXPIRATION (FOR ANY REASON).** Upon termination or expiration of these PARPay Terms (for any reason), Participating Location must no longer use the Device Software and return all User Documentation and all other property of PAR. Participating Location will confirm its compliance with this requirement in writing upon request of PAR.

**5. SERVICE FEES AND PAYMENT** - To subscribe to the PARPay Service, Participating Location shall pay a one-time set-up/activation fee and the monthly subscription fees as set forth on the PAR Sales Order submitted by Participating Location (collectively, "PARPay Service Fees"). The PARPay Service Fees shall be paid monthly via automatic debit from Participating Location's checking account and are non-refundable, except as otherwise provided herein. For any Participating Locations that operate their business on a "seasonal basis" they will pay PARPay Service Fees for 8 months a year starting each calendar year on April 1 through November 30. If the date Participating Location first uses the PARPay Services to process a transaction in Participating Location occurs before the 15<sup>th</sup> of the month, Participating Location will be charged Service Fees for that entire calendar month. If the date Participating Location first uses the PARPay Services to process a transaction in Participating Location of the PARPay Services occurs after the 15<sup>th</sup> of the month, Participating Location Service Fees will not commence until the first day of the following calendar month.

**6. RETURN OF DATA.** Upon any termination, and upon Participating Location's written request, PAR will make available to Participating Location, electronic copies of Participating Location PARPay Data then available on the PARPay Services, provided Participating Location is current on any PARPay Service Fees then owing. Participating Location PARPay Data shall be provided in Delimited File or XML only at no charge. PAR reserves the right (but are not obligated to) destroy or discard any Participating Location Data after ninety (90) days following termination. Upon written request by Participating Location, PAR will discard all Participating Location PARPay Data, provided PAR shall not be required to destroy or alter any computer archival and backup media or archival and backup files, but such archival and backup materials shall be kept confidential in accordance with the terms of these PARPay Terms.

**SECTION E: TRANSACTION DATA AND PARTICIPATING LOCATION DATA.**

1. Participating Location will at all times own all right, title and interest in and to the Participating Location PARPay Data, including but not limited to "Gift/Credit/Debit Card Masked and Unmasked Data" generated through the Service. By submitting Participating Location PARPay Data to us for use on the Service, Participating Location grants PAR a worldwide, royalty-free, and non-exclusive license to use, reproduce, modify and publish on the PARPay Service. Participating Location represents and warrants to PAR that Participating Location has the right to use, and to permit PAR to use Participating Location PARPay Data in order to provide the PARPay Services. Participating Location

acknowledges that PAR shall have the right as the PARPay Service provider to take such commercially reasonable actions to preserve or enhance the operation of the PARPay Service which may include, without limitation, reducing fragmentation of Participating Location PARPay Data and routine maintenance and upgrading of the PARPay Service. PAR will use best efforts to conduct such activity at such times so as to minimize any interference with Participating Location's use of the PARPay Service or limitation of Participating Location's access to Participating Location PARPay Data.

2. PAR agrees to maintain Participating Location PARPay Data extracted to the data center for a period of twenty-four (24) months and PAR will back up Participating Location's consolidated Participating Location PARPay Data at regular nightly intervals. Weekly backups of Participating Location's consolidated Participating Location PARPay Data will be stored off site. If Participating Location wants PAR to maintain Participating Location's consolidated Participating Location PARPay Data for a longer period of time, this is considered a customization of the PARPay Service and shall be subject to a separate addendum or statement of work mutually agreed upon by the parties outlining the work to be performed, the applicable fees, and the payment terms.

#### **SECTION F: PARTICIPATING LOCATION RESPONSIBILITIES.**

1. In connection with Participating Location's use of the PARPay Services, Participating Location will be responsible for the following:
  - b. all Participating Location PARPay Data that is "Gift Credit/Debit Card Masked data";
  - c. implementing, monitoring, and managing Participating Location's Store Network and Participating Location's Corporate Network, including all Payment Card Industry Data Security Standards (PCI-DSS) related controls and activities for these networks;
  - d. not storing/recording "Gift/Credit/Debit Card Unmasked Data;"
  - e. bearing all risk related to the loss or theft of, alteration or damage to, or fraudulent, improper or unauthorized use of any Gift/Credit/Debit Card, Gift/Credit/Debit Card Number or personal identification number in the case of Gift/Credit/Debit Cards by an employee, agent or sub-contractor of Participating Location;
  - f. maintain Participating Location's own equipment, managed networks, and managed systems and systems interfaces to appropriate minimum standards;
  - g. within ten (10) days of activation of the PARPay Services, access the PARPay Services using Participating Location's office computer with Participating Location's typical network configuration in order to review the PARPay Services; confirm that Participating Location PARPay Data was satisfactorily delivered via the internet, Participating Location's firewall, routing system and office network;
  - h. abide by the security procedures specified by PAR and perform reasonable and customary security practices to preclude attempts to circumvent any security procedures or utilize any unauthorized systems in an attempt to access data other than Participating Location's own data;
  - i. make all reasonable efforts to assist us in identifying, isolating and replicating issues found in the PARPay Services; and
  - j. using the PARPay Services and the Device Software in a manner consistent with these PARPay Terms and with all applicable laws and regulations, including without limitation, copyright, trademark, and

export control laws, and laws prohibiting the use of telecommunications facilities to transmit illegal, obscene, harmful to minors, threatening, harassing, or other offensive information or messages. PAR reserves the right to implement and require Participating Location's compliance with a commercially reasonable user conduct policy which may be updated from time to time, upon at least fifteen (15) days advance written notice to Participating Location.

#### **SECTION G: CONFIDENTIALITY**

PAR will protect and keep confidential Participating Location PARPay Data. Participating Location acknowledges that no violation of the provisions of this paragraph shall result from the allowing of access to or copying of Participating Location PARPay Data, or any part thereof, to Participating Location's payment provider or in compliance with an order or subpoena from any court or governmental or law enforcement agency. Participating Location agrees to permit only Participating Location's duly registered Authorized Users to use the PARPay Services, or to view any related materials. Except as otherwise provided in these PARPay Terms, Participating Location shall not sell, transfer, publish, disclose, display, or otherwise make available any portion of the PARPay Services or the Device Software to others. Participating Location agrees to provide reasonable cooperation to PAR and reasonable assistance to PAR in identifying and preventing any unauthorized use, copying, or disclosure of the PARPay Services, and/or the Device Software, in whole or in part. The foregoing confidentiality obligations shall not apply to any information generally available to the public, independently developed or obtained without reliance on the other party's information or approved for release by the other party without restriction.

#### **SECTION H: OWNERSHIP**

- 1. DEVICE SOFTWARE** - PAR, or the third party licensor where applicable, retain title to the Device Software and the PARPay Service, including, without limitation, all copies and audiovisual aspects of the PARPay Service, and all rights to patents, copyrights, trademarks, trade secrets, and other intellectual property rights inherent in and appurtenant to the Device Software and the PARPay Service, including any derivative works developed by Participating Location or PAR either jointly or individually. Participating Location shall not, by virtue of these PARPay Terms or otherwise, acquire any proprietary rights whatsoever in the Device Software or the PARPay Service, which shall be PAR's confidential information and the sole and exclusive property of PAR, or the third party licensor where applicable. Any right not expressly granted to Participating Location by these PARPay Terms is expressly reserved by PAR. To the fullest extent permissible under applicable law Participating Location may not (and may not allow any third party to) copy, modify, create a derivative work of, reverse engineer, reverse assemble or otherwise attempt to discover any source code, sell, assign, sublicense, grant a security interest in, or otherwise transfer any right in the Device Software or the PARPay Service. Participating Location may not modify, rent, lease, loan, sell, distribute or create derivative works based on the PARPay Service or the Device Software.
- 2. TRADEMARKS AND TRADE NAMES** - Any and all trademarks, service marks, and trade names that PAR uses in connection with the Device Software or the PARPay Services are and shall remain PAR's exclusive property. Nothing contained in these PARPay Terms shall be deemed to give Participating Location any right, title, or interest in any of PAR's trademarks, service marks, or trade names, including, but not limited to, any right to use any of PAR's trademarks, service marks, or trade names.

#### **SECTION I: DISCLAIMER OF WARRANTY AND LIMITATION OF REMEDIES.**

Participating Location understands and agree as follows:

- a. DISCLAIMER OF WARRANTIES.** EXCEPT FOR THE WARRANTIES SET FORTH ABOVE IN SECTION B.1., PAR MAKES NO WARRANTY AS TO THE PARPAY SERVICE, THE DEVICE SOFTWARE OR THE RESULTS TO BE OBTAINED FROM PARTICIPATING LOCATION'S USE OF THE PARPAY SERVICES OR THE DEVICE SOFTWARE. THE PARPAY SERVICES AND THE USE

OF THE DEVICE SOFTWARE ARE PROVIDED ON AN "AS IS" AND "AS AVAILABLE" BASIS WITHOUT WARRANTIES OF ANY KIND, EITHER EXPRESS OR IMPLIED, ALL OTHER WARRANTIES ARE DISCLAIMED AND EXCLUDED INCLUDING BUT NOT LIMITED TO WARRANTIES OF TITLE, NON-INFRINGEMENT OR IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. PARTICIPATING LOCATION ASSUMES FULL RESPONSIBILITY AND RISK FOR USE OF THE PARPAY SERVICE, THE DEVICE SOFTWARE AND THE INTERNET. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, PAR DOES NOT WARRANT THAT THE PARPAY SERVICES OR THE DEVICE SOFTWARE WILL BE UNINTERRUPTED, ERROR-FREE OR THAT UNAUTHORIZED ACCESS TO THE PARPAY SERVICES BY THIRD PARTIES ("HACKING") CAN BE PREVENTED. THE EXPRESS WARRANTIES SPECIFIED IN THESE PARPAY TERMS OR FURNISHED WITH THE PARPAY SERVICES BY PAR ARE IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. PAR DISCLAIMS AND EXCLUDES ANY AND ALL OTHER WARRANTIES.

- b. NOTIFICATION OF OUTAGE BY PARTICIPATING LOCATION.** PARTICIPATING LOCATION MUST NOTIFY PAR IF THE PARTICIPATING LOCATION IS UNABLE TO TRANSACT AN ORDER OR USE THE PARPAY SERVICES BY CONTACTING THE PAR HELP DESK. IF PAR HAS NO RECORD OF THE PARTICIPATING LOCATION CONTACTING THE PAR HELP DESK REGARDING SUCH OUTAGE WITHIN 60 DAYS OF THE END OF THE MONTH IN WHICH THE PARTICIPATING LOCATION EXPERIENCED THE OUTAGE, THEN PARTICIPATING LOCATION WILL BE DEEMED TO HAVE WAIVED ANY CREDITS THAT MAY HAVE BEEN AVAILABLE FOR SUCH OUTAGE. NOTWITHSTANDING THE FOREGOING IF PAR BECOMES AWARE OF A SYSTEM WIDE OUTAGE, PAR AND/OR DAIRY QUEEN MAY NOTIFY PARTICIPATING LOCATIONS OF SUCH OUTAGE AND IN SUCH INSTANCE PARTICIPATING LOCATION WILL NOT BE REQUIRED TO NOTIFY PAR IN ORDER TO OBTAIN A CREDIT.
- c. LIMITATION OF LIABILITY.** TO THE MAXIMUM EXTENT PERMITTED BY LAW, UNDER NO CIRCUMSTANCES AND UNDER NO LEGAL THEORY, INCLUDING WITHOUT LIMITATION TORT, CONTRACT, OR OTHERWISE, SHALL EITHER PARTY BE LIABLE TO THE OTHER PARTY FOR ANY INDIRECT, SPECIAL, INCIDENTAL, COVER, RELIANCE OR CONSEQUENTIAL DAMAGES, (INCLUDING WITHOUT LIMITATION LOSS OF BUSINESS PROFITS, LOSS OF SERVICE, BUSINESS INTERRUPTION, LOSS OF OR INCORRECT BUSINESS INFORMATION/DATA AND THE LIKE) SUFFERED OR INCURRED BY EITHER PARTY EVEN IF SUCH PARTY SHALL HAVE BEEN INFORMED OF THE POSSIBILITY OF SUCH DAMAGES. IN THE EVENT THAT, NOTWITHSTANDING THE FOREGOING, EITHER PARTY IS FOUND LIABLE TO THE OTHER PARTY FOR DAMAGES FROM ANY CAUSE WHATSOEVER, SUCH PARTY'S AGGREGATE ANNUAL CALENDAR YEAR (JANUARY 1 TO DECEMBER 31) LIABILITY TO THE OTHER PARTY UNDER THIS PARTICIPATION AGREEMENT INCLUSIVE OF ALL SCHEDULES HERETO WILL BE \$50,000 AND WITH RESPECT TO PAR'S LIABILITY TO PARTICIPATING LOCATION, LESS ANY AMOUNTS RECEIVED BY PARTICIPATING LOCATION AS SERVICE CREDITS FOR PAR'S FAILURE TO MEET ANY AVAILABILITY WARRANTY AS SET FORTH HEREIN. THE LIMITATIONS IN THIS SECTION DO NOT APPLY TO EITHER PARTY'S LIABILITY FOR ITS (OR ITS RESPECTIVE AGENTS AND/OR SUBCONTRACTORS) GROSS NEGLIGENCE OR WILFULL MISCONDUCT, WILFUL FAILURE TO COMPLY WITH LAW, FRAUD, INTELLECTUAL PROPERTY INFRINGEMENT, BODILY INJURY (INCLUDING DEATH) OR DAMAGE TO OR LOSS OF ANY TANGIBLE PROPERTY.



## **SECTION J: INDEMNIFICATION.**

**1. BY PARTICIPATING LOCATION.** Participating Location agrees to indemnify, defend, and hold PAR, and PAR's parent companies, subsidiaries, and affiliates, and their respective directors, officers, agents, co-branders or other partners, representatives, contractors, and employees, harmless from any claim or demand, including reasonable attorneys' fees, made by any third party due to or arising out of Participating Location PARPay Data being illegal or infringing on a third party's Intellectual Property Rights, Participating Location's use or Participating Location's Authorized Users' use of the PARPay Service, Participating Location's connection to the PARPay Service, Participating Location's violation or the violation by any of Participating Location's Authorized Users of the PARPay Terms, the violation of any rights of another by Participating Location or any of Participating Location's Authorized Users, or any act or omission of Participating Location or Participating Location's directors, officers, agents, representatives, contractors, Authorized Users, or employees.

**2. BY PAR FOR INTELLECTUAL PROPERTY INFRINGEMENT CLAIMS.** PAR agrees to defend any action brought against Participating Location based on a claim that the Device Software, State Management Services, Device Management Service and/or the PARPay Service infringes upon a United States copyright, trademark or patent, and/or violates the trade secret rights of a third party and we will pay those costs and damages finally awarded against Participating Location on the condition that (i) Participating Location notify PAR promptly in writing of any such claim or action; (ii) PAR shall have the sole control of the defense and final settlement thereof; and (iii) if the Device Software or the PARPay Service, or any part thereof, in PAR's sole opinion is likely to become the subject of a claim of infringement, then Participating Location shall permit PAR, at PAR's sole option and expense (a) to replace or modify the Device Software or the PARPay Service to become non-infringing, or (b) if (a) is not reasonably available as an option, then Participating Location's sole and exclusive remedy shall be a refund of the PARPay Service Fees for the then current month's PARPay Service or any PARPay Service Fees for the remainder of the Term if such PARPay Service Fees were paid in advance. We shall have no liability to Participating Location for any such claim of infringement of a third party's proprietary rights that are caused by use of the Device Software or PARPay Service in a manner that is in violation of these PARPay Terms.

**3. BY PAR IN GENERAL.** PAR will defend and indemnify Participating Location, its affiliates and their respective officers, directors, employees, agents, successors, and assigns from and against any and all damages, losses, fines, penalties, costs, expenses, liabilities and other amounts (including reasonable attorney fees and expenses) ("Losses") suffered or otherwise incurred by any of them arising from or in connection with or otherwise relating to: (i) bodily injury (including death) or damage to or loss of any tangible property caused by the PARPay Services or the negligent acts or omissions of PAR or its sub-contractors and their respective officers, directors, employees, agents, suppliers, sub-suppliers, successors and assigns; (ii) (i) bodily injury (including death) or damage to or loss of any tangible property caused by the negligent acts or omissions of PAR or its sub-contractors and their respective officers, directors, employees, agents, suppliers, sub-suppliers, successors and assigns in providing the PARPay Services, State Management Services, Device Management Service and/or Device Software; (ii) gross negligence or willful misconduct of PAR or its sub-contractors and their respective officers, directors, employees, agents, suppliers, sub-suppliers, successors and assigns in providing the PARPay Services, State Management Services, Device Management Service and/or Device Software, and (iii) any violation of Law by PAR or its sub-contractors and their respective officers, directors, employees, agents, suppliers, sub-suppliers, successors and assigns or any of their respective employees, officers, directors, agents or representatives in providing the PARPay Services, State Management Services, Device Management Service, and/or Device Software. Notwithstanding the foregoing, PAR is not liable to defend, indemnify or hold harmless Participating Location for any Losses directly arising from: (y) the

negligent or willful misconduct of the Participating Location; or (z) any violation of Lawby Participating Location or its sub-contractors and their respective officers, directors, employees, agents, suppliers, successors and assigns or any of their respective employees, officers, directors, agents or representatives.

## **SECTION K: GENERAL TERMS AND CONDITIONS**

- a. Money Damages Insufficient.** Any breach by Participating Location or PAR of these PARPay Terms or violation of the other party's Intellectual Property Rights could cause irreparable injury or harm to the other party. The other party may seek a court order to stop any breach or avoid any future breach.
- b. Governing Law.** These PARPay Terms shall be construed and interpreted in accordance with the laws of the State of Delaware.
- c. Force Majeure.** PAR and Participating Location shall not be liable for any delay in performance under these PARPay Terms resulting from any cause beyond PAR or Participating Location's reasonable control, including without limitation, any act of God, fires, storms, floods, explosions, strikes, work stoppages or slowdowns, or other industrial disputes, legal action, failure or delay of supplies from ordinary sources, accidents, riots, war or civil disturbances, or acts of civil or military authorities.
- d. Entire Agreement and Changes.** These PARPay Terms and the Sales Order constitute the entire agreement between the parties with respect to PARPay Services and Device Software, and supersede all prior or contemporaneous negotiations, agreements and representations, whether oral or written, related to this subject matter. The sole terms and conditions governing the purchase of the PARPay Services from PAR are contained in these PARPay Terms and any terms or conditions contained on the face or back of any Participating Location purchase order or other document shall be without effect. No modification or waiver of any term of these PARPay Terms is effective unless both parties sign it.
- e. No Assignment.** Neither Participating Location or PAR may assign or transfer these PARPay Terms or an order to a third party, without prior written consent of the other party, which shall not be unreasonably withheld; provided, however, these PARPay Terms with all orders may be assigned as part of a merger, or sale of all or substantially all of the business or assets, of a party and PAR may use a subcontractor to perform all or part of the PARPay Services provided hereunder. PAR shall remain responsible for the performance of each subcontractor and its employees and for their compliance with these PARPay Terms.
- f. Independent Contractors.** The parties are independent contractors with respect to each other.
- g. Enforceability.** If any term of these PARPay Terms is invalid or unenforceable, the other terms remain in effect.
- h. Survival.** Any terms that by their nature survive termination or expiration of these PARPay Terms, will survive including but not limited to indemnification, choice of law, and confidentiality.
- i. CISG Not Apply.** The Convention on Contracts for the International Sale of Goods does not apply.
- j. Notices.** Notices shall be deemed given upon receipt. Any notices required to be given shall be in writing and in the case of notice to Participating Location, shall be sent to the billing address or fax number on the Sales Order. In the case of notice to PAR, such notice shall be sent via postage prepaid certified mail or by overnight courier to: ParTech, Inc. (Attn: Legal Department); ParTech Technology Park; 8383 Seneca Turnpike; New Hartford, NY 13413-4991.

## SCHEDULE C-1

### APPROVED DEVICES

The Devices below are approved for use with the Device Platform. The list of Devices is subject to change. Devices will eventually become obsolete and require replacement. The selection of Devices may also impact the ability to utilize features and functionality of the PARPay Service as described above. Participating Location should verify with us in advance of placing an order directly from a Device supplier or manufacturer if such Device is still approved for use with the PARPay Service.

|  |
|--|
| EMV Payment Devices Supported by PAR Pay   |
| Verifone Mx915, Mx925, Vx805, Vx820, Vx520, Coming Soon – M400   |
| Ingenico IPP-350, ISC-250, ISC-480, Coming Soon - Move 5000  |
| <i>Devices not listed will require certification testing and additional fees prior to implementation</i> |

## SCHEDULE C-2

### CERTIFIED AND SUPPORTED PAYMENT PROCESSORS

|   |
|---|
| Credit and Debit Processors   |
| First Data  |
| WorldPay  |
| Vantiv  |
| Worldpay  |
| Mercury   |
| Chase Paymentech  |
| Tsys  |
| Global Payments Heartland   |
| Elavon  |
| Moneris   |
| <i>Other processors may be available but would need to be certified and tested prior to deployment. Please contact Customer Sales or a Customer Support Representative to inquire about other processors.</i> |

|                            |
|----------------------------|
| Gift Card Processors       |
| Valuelink                  |
| Vantiv                     |
| SVS                        |
| Valuetec                   |
| Heartland Gift             |
| Mercury                    |
| Worldpay                   |
| Aurus Gift                 |
| Chase - Givex              |
| Coming Soon – GiftePay     |
| Coming Soon – Synergy Gift |

**SCHEDULE D**  
**to Participation Agreement**



**SALES ORDER FOR EQUIPMENT, SUBSCRIPTION SOFTWARE SERVICES**  
**AND SERVICES**

**Sample Sales Order**

**Prepared for:** Participating Location Name and Address

**Ship to:** Participating Location Name and Address

**Bill to:** Participating Location Name and Address

**Hardware**

| Qty | Part Number | Description | Unit Price | Sales Price |
|-----|-------------|-------------|------------|-------------|
|-----|-------------|-------------|------------|-------------|

**Software and Support**

| Qty | Part Number | Description | Unit Price | Sales Price |
|-----|-------------|-------------|------------|-------------|
|-----|-------------|-------------|------------|-------------|

**Installation Services**

| Qty | Part Number | Description | Unit Price | Sales Price |
|-----|-------------|-------------|------------|-------------|
|-----|-------------|-------------|------------|-------------|

**Hardware Maintenance Services**

| Qty | Part Number | Description | Unit Price | Sales Price |
|-----|-------------|-------------|------------|-------------|
|-----|-------------|-------------|------------|-------------|

**Grand Total (Does not include Tax and Shipping)**

**\$\$**

**Down Payment**

**Balance Due**

**Special Instructions:**

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This Sales Order is made and entered into by and between ParTech, Inc., ("PAR") and the Participating Location executing this Sales Order. Participating Location hereby agrees to purchase from PAR, and PAR by its acceptance of this Sales Order agrees to sell to Participating Location, the Equipment, Installation Services, Subscription Software Services, PARPay Services, Advance Exchange Services, and On-Site Remedial Maintenance Service, as applicable, as listed above in accordance with the terms and conditions of this Sales Order and the Participation Agreement executed by Participating Location and PAR. All Sales Orders are non-cancellable by Customer. Notwithstanding the foregoing, if PAR agrees to cancel any Sales Order, PAR may condition such cancellation on Customer paying a 10% restocking fee for any Equipment or other items returned to PAR.

**Price Increases:** Beginning on the calendar year starting January 1, 2021 pricing is subject to an annual increase based on an amount equal to the lesser of 2% or the amount of Consumer Price Index ("CPI") increase calculated based on the immediately preceding unadjusted 12 months (10/01 through 9/30), derived from the U.S. Department of Labor, Bureau of Labor Statistics web site, <https://www.bls.gov/news.release/cpi.nr0.htm>. Price increases will take effect February 1 of the then current calendar year. PAR will communicate price increases to Participating Location in writing via email by January 15th.

**Exchange Rate for Participating Locations in Canada.** Participating Locations in Canada who are purchasing Equipment and Installation Services via an upfront payment may elect to pay for all Equipment and Services in USD or CAD. Participating Locations in Canada who are financing Equipment and Installation Services must pay in CAD for all Equipment and Services subject to the following. The exchange rate for Participating Locations in Canada who elect to pay in CAD will be set for the spot rate of USD/CAD by the Wall Street Journal as reported by <http://www.wsj.com/public/page/news-currency-currencies-trading.html> on the Effective Date of the Master Hardware and Software Agreement between ParTech, Inc. and American Dairy Queen Corporation. The exchange rate will be maintained by PAR for a period of one (1) year from February 1, 2019 and then revised annually thereafter. On January 1 (or the next business day) of each year thereafter, the new exchange rate shall be determined based on an

average of the spot rate over the prior calendar year (January 1 – December 31) of USD/CAD by the Wall Street Journal as reported by on <http://www.wsj.com/public/page/news-currency-currencies-trading.html> and communicated to Participating Location in writing via email within five (5) days of such determination. The new exchange rate will be calculated on an annual basis for the remainder of the Term of your Participation Agreement. The annually calculated new exchange rate will take effect February 1 of the then current calendar year, and will apply to purchases of Equipment, Installation Services, existing and new purchases of Subscription Software Services, existing and new purchases of PARPay Services, existing and new purchases of Advance Exchange Services, and existing and new purchases of On-Site Remedial Maintenance Services.

The Equipment sold under this Sales Order has a limited useful life. As Subscription Software Services advance, improve, and change, Equipment sold under this Sales Order may no longer be able to meet the minimum operating requirements required to run the Subscription Software Services. In the future it will be necessary to purchase new Equipment as the PAR Solution evolves. The exact timing as to when the Equipment sold under this Sales Order will no longer effectively operate the Subscription Software Services and will therefore need to be replaced has not yet been determined. The average life cycle of today's typical Equipment configurations sold by PAR is 5-7 years.

See below for additional fees that may be incurred by Participating Location in connection with the Installation Services with regards to permits, installation delays, rescheduling, aborts, revisits, or out of scope activities and may be separately invoiced by PAR to Participating Location.

|  |   |
|--|---|
| PERMIT RESEARCH FEE:                   | \$40 per Permit                                 |
| COST OF PERMIT +COST TO OBTAIN PERMIT: | Actual  |
| RESCHEDULE FEE:                        | \$135 per Participating Location                |
| ABORT FEE:                             | \$750 per Participating Location                |
| INSTALLATION DELAY FEE:                | \$175 per hour (billed in 30-minute increments) |
| REVISIT FEES:                          | \$175 per hour (billed in 30-minute increments) |
| OUT OF SCOPE HOURLY RATE:              | \$175 per hour (billed in 30-minute increments) |

**RESCHEDULE FEE:** If a Participating Location is scheduled for Service and the Participating Location reschedules the Service within 48 hours of the scheduled installation date, PAR will invoice the Participating Location for Reschedule Fee as set forth above. If a Participating Location is scheduled for Service and PAR reschedules the Service within 48 hours of the scheduled Service date, PAR will provide the Participating Location with a refund to their Installation Services costs in the amount of a Reschedule Fee.

**ABORT FEE:** If a Participating Location is scheduled for Service and the Participating Location cancels the installation within 24 hours or the PAR technician arrives at the Participating Location to perform Services, and Services cannot be performed on the scheduled installation date for reasons not attributable to PAR, then PAR will invoice the Participating Location an Abort Fee as set forth above. If a Participating Location is scheduled for Service and PAR reschedules the Service within 24 hours of the scheduled Service date, PAR will provide the Participating Location with a refund to their Installation Services costs in the amount of an Abort Fee.

**INSTALLATION DELAY FEES:** If an issue within the control of the Participating Location related issue causes: (a) the PAR technician to delay the installation for 30 minutes or more at any time during the performance of the Services, PAR may invoice the Participating Location at PAR's standard hourly rate of \$175.00/hour in 30-minute increments. If an issue within PAR's or the PAR technician's control causes the PAR technician to delay the installation for 30 minutes or more at any time during the performance of the Services, PAR will credit the Participating Location at PAR's standard hourly rate of \$175.00/hour in 30-minute increments.

**REVISIT FEE:** The Participating Location is responsible for revisits to a Participating Location after completion of the Installation Services due to issues outside of PAR's control and attributable to the Participating Location's acts or omissions. Such revisits will be invoiced at PAR's standard hourly rate of \$175.00/hour in 30-minute increments. The Participating Location will not be invoiced for revisits due to issues within PAR's control.

**OUT OF SCOPE SERVICE FEES:** PAR Approved out of scope services will be invoiced at \$175 per hour in 30-minute increments.

**INSTALLATION DELAY AND ABORT SCENARIOS:** Refer to the Installation and Abort Scenarios as set forth in the Dairy Queen Installation Guide.

**Hardware Maintenance Services.** Participating Location may elect from two (2) different Equipment coverage options (Tier A or Tier B) based on the type of Equipment that the Participating Location wants to cover under the hardware maintenance services. The options are:

**Tier A:** As defined in Schedule D-1 of the Participation Agreement

**Tier B:** As defined in Schedule D-1 of the Participation Agreement

Once Participating Location elects either Tier A or Tier B, then the Participating Location must choose either Advance Exchange Services or On-Site Remedial Maintenance Services for such Equipment.

Participating Location may later elect to switch from Tier A to Tier B, or Tier B to Tier A. Participating Location may also later elect to switch from Advance Exchange Services to On-Site Remedial Maintenance Services, or from On-Site Remedial Maintenance Services to Advance Exchange Services. If Participating Location wants to make any such change, they must notify PAR via email at [contractadmin@partech.com](mailto:contractadmin@partech.com) or via telephone at 1-800-448-6505, extension 6274. If a Participating Location elects to switch from Tier A to Tier B, then the Equipment not covered under Tier A must be certified by PAR to be in proper operating condition prior to becoming eligible for Tier B. Such certification and any resulting repairs or adjustments to bring the Equipment not covered under Tier A into proper operating condition shall be at a rate of \$300 plus the agreed upon time and material rates for any necessary repairs. If the Equipment not covered under Tier A needs repair, at Participating Location's option, Participating Location may either have the Equipment repaired or purchase new Equipment. Once the Equipment is accepted by PAR and becomes eligible for hardware maintenance services, the Equipment will be covered under Tier B Advance Exchange and/or On-Site Remedial Maintenance Services as selected by the Participating Location. Additionally, if a Participating Location's hardware maintenance services have lapsed for more than three (3) months, then Participating Location's Equipment must be certified by PAR as set forth herein before becoming eligible for hardware maintenance services. If Participating Location elects to change hardware maintenance service Tiers and/or switch from Advance Exchange Services to On-Site Remedial Maintenance Services such election will become effective on the first day of the calendar month after 60 days from its notification to PAR of such election (so long as in the case of switching from Tier A to Tier B, all Equipment which was not previously covered by hardware maintenance services has been certified as eligible for hardware maintenance services by PAR).

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Participating Location

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Authorized Signature of Participating Location

---

Print Name

---

Print Title

---

Primary Contact Telephone  
(May be used for order or payment inquiries)

---

Quote #

---

Primary Contact Email Address:  
(May be used for order or payment inquiries)

## SCHEDULE D-1

### STANDARD DAIRY QUEEN CONFIGURATIONS

#### Standard Dairy Queen Configurations

Participating Location will sign a separate Sales Order specific to Participating Location's store configuration and Equipment needs based upon the results of a Site Survey.\* Participating Location will have the option to upgrade the KVS to 27" monitors if requested (will increase cost). Listed below are standard configurations for an existing Grill and Chill, an existing Treat Store, and a new Grill and Chill. Participating Location acknowledges that it will sign a Sales Order which will include similar hardware, software, and services based on the standard configurations below. (Depending upon the site survey, additional items may be required that are not listed below. (e.g. USB Extenders, ceiling mounts, etc.)

\* New construction stores will follow the "New Store Grill and Chill" standard below and will not typically have a Site Survey.

Hardware and Installation price ranges reflect variation in cabling cost. These prices have been rounded.

#### **Standard Grill and Chill Location**

##### **Hardware Configuration:**

2 Front Counter Terminals, 2 Drive Thru Terminals, 4 Fingerprint Readers, 2 Mobile Printers, 3 Receipt Printers, 3 Cash Drawers, 3 Additional Cash Drawer Inserts, 3 Scanners (for Mobile) 6 KVS systems (20" Monitor, KVS Controller, KVS Bump Bar), 4 UPS Units, 1 24 Port Switch, Network Rack and Patch Panel, 3 Verifone P400 Units w/stands, 3 KVS Surge Protectors, 6 USB Sound Bars,

##### **Monthly Finance Option**

- |               |                      |
|---------------|----------------------|
| • Hardware    | \$325.65 to \$336.05 |
| • Install     | \$105.08 to \$140.45 |
| • Software    | \$295.47             |
| • AE (Tier B) | \$101.96             |

##### **Purchase Option**

- |                        |                            |
|------------------------|----------------------------|
| • Hardware             | \$16,671.37 to \$17,167.64 |
| • Install              | \$5,364.30                 |
| • Average Cabling Cost | \$1,798.85                 |
| • Software             | \$295.47 per month         |
| • AE (Tier B)          | \$101.96 per month         |

#### **Small Format Treat Centric Location**

##### **Hardware Configuration:**

2 Front Counter Terminals, 2 Fingerprint Readers, 1 Mobile Printers, 1 Receipt Printers, 2 Cash Drawers, 2 Additional Cash Drawer Inserts, 2 Scanners (for Mobile) 2 KVS systems (20" Monitor, KVS Controller, KVS Bump Bar), 2 UPS Units, 1 24 Port Switch, Network Rack and Patch Panel, 2 Verifone P400 Units w/stands, 1 KVS Surge Protectors, 2 USB Sound Bars,



**Monthly Finance Option**

|               |                      |
|---------------|----------------------|
| • Hardware    | \$167.50 to \$170.63 |
| • Install     | \$78.03 to \$93.64   |
| • Software    | \$227.85             |
| • AE (Tier B) | \$47.86              |

**Purchase Option**

|                        |                          |
|------------------------|--------------------------|
| • Hardware             | \$8,557.29 to \$8,779.94 |
| • Install              | \$3,979.53               |
| • Average Cabling Cost | \$769.90                 |
| • Software             | \$227.85 per month       |
| • AE (Tier B)          | \$47.86 per month        |

**Typical Treat Centric Location****Hardware Configuration:**

2 Front Counter Terminals, 1 Drive Thru Terminals, 3 Fingerprint Readers, 2 Mobile Printers, 3 Receipt Printers, 3 Cash Drawers, 3 Additional Cash Drawer Inserts, 3 Scanners (for Mobile) 3 KVS systems (20" Monitor, KVS Controller, KVS Bump Bar), 3 UPS Units, 1 24 Port Switch, Network Rack and Patch Panel, 3 Verifone P400 Units w/stands, 3 KVS Surge Protectors, 3 USB Sound Bars.

**Monthly Finance Option**

|               |                      |
|---------------|----------------------|
| • Hardware    | \$251.78 to \$256.98 |
| • Install     | \$99.88 to \$130.05  |
| • Software    | \$265.30             |
| • AE (Tier B) | \$74.91              |

**Purchase Option**

|               |                            |
|---------------|----------------------------|
| • Hardware    | \$12,740.74 to \$13,039.33 |
| • Install     | \$4,032.59 to \$5,206.16   |
| • Software    | \$265.30 per month         |
| • AE (Tier B) | \$74.91 per month          |

**New Construction Standard Grill and Chill****Hardware Configuration:**

2 Front Counter Terminals, 2 Drive Thru Terminals, 4 Fingerprint Readers, 2 Mobile Printers, 3 Receipt Printers, 3 Cash Drawers, 3 Additional Cash Drawer Inserts, 3 Scanners (for Mobile) 6 KVS systems (20" Monitor, KVS Controller, KVS Bump Bar), 4 UPS Units, 1 24 Port Switch, Network Rack and Patch Panel, 3 Verifone P400 Units w/stands, 4 KVS Surge Protectors, 6 USB Sound Bars, 3 Cash Drawer Mounting Brackets, 6 KVS Wall Mount Brackets, 9 Power Supply Brackets Network Cabling and Cabling Installation.

**Monthly Finance Option**

|               |          |
|---------------|----------|
| • Hardware    | \$350.61 |
| • Install     | \$179.98 |
| • Software    | \$295.47 |
| • AE (Tier B) | \$101.96 |

**Purchase Option**

|               |                    |
|---------------|--------------------|
| • Hardware    | \$17,812.69        |
| • Install     | \$7,163.15         |
| • Software    | \$295.47 per month |
| • AE (Tier B) | \$101.96 per month |

Additionally, Participating Location will select a hardware maintenance services option. Listed below are the two tiers from which Participating Location will elect the type of coverage.

| <b>HARDWARE MAINTENANCE SERVICES</b> |                                |  |                                      |   |
|--------------------------------------|--------------------------------|--|--------------------------------------|---|
|                                      |                                |  |                                      |   |
| <b>Tier A</b>                        | <b>Equipment to be covered</b> |  | <b>Monthly Price Per Unit</b>        |   |
|                                      | <b>Product ID</b>              | <b>Description</b>   | <b>Advance Exchange (AE) Service</b> | <b>On-Site Remedial Maintenance Service (RMS Service)</b> |
|                                      | Tier A                         | POS Workstation 7" Display (Front Counter Terminals)   | \$9.08                               | \$18.16   |
|                                      | Tier A                         | POS Workstation No Display (Drive Thru Terminals)  | \$7.74                               | \$15.48   |
|                                      | Tier A                         | KVS Controller   | \$2.52                               | \$3.48  |
| <b>Tier B</b>                        | <b>Equipment to be covered</b> |  | <b>Monthly Price Per Unit</b>        |   |
|                                      | <b>Product ID</b>              | <b>Description</b>   | <b>Advance Exchange (AE) Service</b> | <b>On-Site Remedial Maintenance Service (RMS Service)</b> |
|                                      | Tier B                         | POS Workstation 7" Display (Front Counter Terminals)   | \$9.08                               | \$18.16   |
|                                      | Tier B                         | POS Workstation No Display (Drive Thru Terminals)  | \$7.74                               | \$15.48   |
|                                      | Tier B                         | KVS Controller   | \$2.52                               | \$3.48  |
|                                      | Tier B                         | Fingerprint Reader   | \$4.06                               | NA  |
|                                      | Tier B                         | 10" Tablet   | \$5.30                               | NA  |
|                                      | Tier B                         | Epson TM-T88V Ethernet Printer (Expediter Printers)  | \$2.43                               | NA  |
|                                      | Tier B                         | Epson TM-T88V Serial Printer (Receipt Printers)  | \$2.43                               | NA  |
|                                      | Tier B                         | APG Cash Drawer Kit includes Dual Media Slot, Drawer, Cable and Insert                       | \$2.44                               | NA  |
|                                      | Tier B                         | APG Cash Drawer 16" with Cable and Insert  | \$3.07                               | NA  |
|                                      | Tier B                         | Motorola DS9208 SR USB Bar Code Reader   | \$2.21                               | NA  |
|                                      | Tier B                         | KVS Bump bar   | \$1.09                               | NA  |
|                                      | Tier B                         | 21" Monitor  | \$2.36                               | NA  |
|                                      | Tier B                         | 27" Monitor  | \$3.07                               | NA  |
|                                      | Tier B                         | Monoprice 24-Port Switch 10/100/1000 – Rack Mountable, with 5' Network Cable (One per Store) | \$1.60                               | NA  |

## AUTHORIZED OPERATOR TERMS & CONDITIONS (ADOPTING)

These Authorized Operator Terms & Conditions (“AO T&Cs”) govern the use of the Services by the authorized *DQ*® franchisee that is accessing or using the Services (“Authorized Operator”).

On 09/28/2023, Olo, Inc. (“Olo”) and American Dairy Queen Corporation (“Customer”) entered into a Master Services Agreement (as amended, supplemented or otherwise modified from time to time, the “Master Services Agreement”). Olo and Customer have also entered into one or more Order Forms (as amended, supplemented or otherwise modified from time to time, each an “Order Form” and, collectively with the Master Services Agreement, the “Agreement”) in connection with Olo’s provision of Services (as defined in the Agreement) to Customer and its Authorized Operators.

Authorized Operator desires to use the Services in accordance with the terms of the Agreement and intends to adopt certain terms of the Agreement, including certain liability provisions, for Olo to bill Authorized Operator directly with respect to fees and charges incurred in connection with Authorized Operator’s use of the Services. Authorized Operator’s access to and use of the Service is conditioned on its acceptance of and compliance with these AO T&Cs. By accessing or using the Service, Authorized Operator agrees to be bound by these AO T&Cs.

1. Adoption and Amendments. Authorized Operator hereby adopts and approves the terms of the Agreement, subject to the amendments specified in this Section 1 below (such amended Agreement, the “Adopted Agreement”), and agrees to be bound by the terms of the Adopted Agreement:
  - a. References to Customer in the Adopted Agreement shall be changed to Authorized Operator. Any capitalized terms used but not defined herein shall have the meanings ascribed to them pursuant to the Adopted Agreement.
  - b. The Adopted Agreement shall be coterminous with the Agreement, unless these AO T&Cs are terminated earlier in accordance with Section 3 below.
  - c. The notice contact information for Authorized Operator under the Adopted Agreement shall be the contact information provided by Authorized Operator to Olo during the onboarding process.
  - d. The Adopted Agreement shall exclude any terms in the Agreement relating to rights or obligations applicable to Customer Data, press releases, Customer Trademarks, obligations with respect to franchisees, or service credits. Any such terms in the Agreement shall be deleted in the Adopted Agreement.
  - e. The Adopted Agreement shall only include any fees or charges under the Agreement that are (i) charged on a per location or per transaction/order/unit basis, and (ii) applicable to the use of the Services by the Authorized Operator or by locations operated by the Authorized Operator (including any fees or charges associated with transactions/orders/units conducted with locations owned or operated by the Authorized Operator). All other fees or charges set forth in the Agreement shall be deemed deleted in the Adopted Agreement.
  - f. Subject to clause (d) of this Section 1, the Adopted Agreement shall automatically incorporate any change, supplement, amendment, amendment and restatement, or other modifications made to the Agreement by Olo and Customer and the Adopted Agreement shall be deemed to have been changed or modified accordingly; provided, that Customer will be solely responsible for notifying Authorized Operator of any modifications to the Agreement (including, for clarity, pricing updates and changes

with respect to Services that are mutually agreed in writing by Customer and Olo). Authorized Operator hereby ratifies such changes or modifications.

**2. Representations; Warranties; and Obligations.**

- a.** Authorized Operator represents and warrants that:
  - i.** Authorized Operator is a franchisee or licensee of Customer and Customer has authorized the Authorized Operator to use the Services;
  - ii.** Authorized Operator has received a copy of the Agreement from Olo or Customer and is familiar with the terms and conditions therein;
  - iii.** Authorized Operator (i) has the legal power and authority to enter into this Agreement; (ii) it will not violate, or use the Services in violation of any applicable Laws, including any applicable privacy laws, or any third party right; and (c) it will use the Services in compliance with its agreements with third parties; and
  - iv.** these AO T&Cs are a legal, valid and binding obligation on Authorized Operator, Customer and Olo and are enforceable against Authorized Operator, Customer and Olo in accordance with its terms.
- b.** Authorized Operator will promptly provide Olo with information Olo reasonably requires in connection with onboarding and deployment of the Services. In connection with its use of the Services under the Adopted Agreement, Authorized Operator agrees to facilitate the timely implementation and deployment of the Services in good faith, including complying with the following implementation requirements:
  - i.** Update bank account name, routing number and account number through Olo Dashboard Portal for Electronic Funds Transfer (EFT) billing; and
  - ii.** Activate necessary services with payment processor(s) to ensure stores are paid for orders.
- c.** Authorized Operator is responsible for providing complete and accurate billing and contact information to Olo, and notifying Olo promptly of any changes to such information.

**3. Termination.**

- a.** Subject to the termination provision of the Adopted Agreement, these AO T&Cs shall govern Authorized Operator's use of the Services until the earlier of:
  - i.** the termination of the Agreement,
  - ii.** the termination of the franchise agreement between Customer and Authorized Operator,
  - iii.** Authorized Operator no longer owning or operating the franchised location, in which case these AO T&Cs shall terminate as to such franchised location only,
  - iv.** Olo providing written notice of termination to Authorized Operator following three (3) months of non-payment; or

- v. Authorized Operator providing thirty (30) days' prior written notice of termination to Olo.
- b. Upon termination:
  - i. Authorized Operator's right to use the Services will cease immediately with respect to all Customer franchised locations of Authorized Operator; and
  - ii. neither party will have any further obligations to the other, except for those obligations that either expressly or by their nature survive such termination, including Authorized Operator's payment to Olo of all fees accrued prior to the termination date.
- 4. Notices. All notices and other communications sent under these AO T&Cs must be in writing (including by email) and will be deemed effective when delivered.
- 5. Governing Law. These AO T&Cs are governed by and construed in accordance with the laws of New York, without regard to the conflicts of law rules thereof.



EXECUTION

# UNITED STATES GIFT CARD ENROLLMENT PACKET

Please use the overview and instructions on the following pages as a reference in completing the Gift Card enrollment packet. If you have any questions in completing these forms please contact the Gift Card Franchisee Support Help Desk at 1(866) 874-7901.

**\*\*\*Missing information will result in application rejection, required resubmission and set up delays.**

## Enrollment Packet Contents:

- Enrollment Cover Sheet
- Participation Agreement
- Credit Application
- Prepaid Implementations and Boarding Form

## Section A: Participation Agreement

|   |                     |
|---|---------------------|
| Instructions.....                                 | Section A- Page 1-2 |
| Participation Agreement.....                      | 1-8                 |
| Exhibit A (ACH Authorization).....                | A                   |
| Exhibit B (Schedule of Designated Locations)..... | B                   |
| Exhibit C (Program Fees).....                     | C                   |
| Addendum #1 (Addendum for FD-150 Terminals).....  | 1-3                 |

## Section B: Credit Application

|  |                   |
|--|-------------------|
| Instructions.....                              | Section B- Page 1 |
| Credit Application .....                       | 2                 |
| Prepaid Implementations and Boarding Form..... | 3                 |



# COVER SHEET GIFT CARD ENROLLMENT

***Please include this cover sheet with your enrollment paperwork.***

**1. Select one *then* fill in date:**

☐ I am enrolling a NEW location (has never accepted Gift Cards before)

If so, anticipated date of opening is \_\_\_\_\_.

☐ I am enrolling an existing location.

If so, what was the date of sale/change in ownership \_\_\_\_\_,  
or the anticipated date of sale/change in ownership \_\_\_\_\_?

**2. What is the Dairy Queen Store Number?**

Store No. \_\_\_\_\_

**3. Where should we send your initial inventory of DQ/OJ Gift Cards?**

☐ Use store location address

☐ Other Address

Business Name:

Street Address:

City/St/Zip:

Attn:

Phone:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

## SECTION A: PARTICIPATION AGREEMENT

### INSTRUCTIONS:

Step 1. **Print 2 copies** of the attached Participation Agreement.

#### **Participation Agreement - Page 1**

Step 2. On the first line, enter today's date.

Step 3. On the third line, enter the legal entity name of the Operated Location, Participating Franchisee or Sub-Franchisee.

#### **Participation Agreement - Page 10**

Step 4. On the first line, enter the legal entity name of the Operated Location, Participating Franchisee or Sub-Franchisee.

Step 5. On the remaining lines, sign and enter your name, title, street address, city, state and zip code of the legal entity name, telephone number, fax, email and today's date.

#### **Participation Agreement, Exhibit A**

Step 6. In **Section 4 of Exhibit A**, enter the bank name, account number, account title (example: legal entity name of Operated Location, Participating Franchisee or Sub-Franchisee) that account is under and account ABA routing number. Attach a voided check for the account.

Step 7. On the second page of **Exhibit A**, enter the legal entity name of the Operated Location, Participating Franchisee or Sub-Franchisee on the first line. On the remaining lines, sign and enter your name, title, street address, city, state and zip code of the legal entity name, telephone number, fax and email. Also, please enter your Tax ID number.

#### **Participation Agreement, Exhibit B**

Step 8. List each Dairy Queen or Orange Julius Store Number and address information for each Designated Location that you are signing up for the Program.

#### **Participation Agreement, Addendum #1 (Addendum for FD-150 Terminals)**

**NOTE: Only use/complete the Addendum #1 if Operated Location, Participating Franchisee, or Sub-Franchisee chooses to rent or purchase a FD-150 terminal for use as a "Gift Card only" terminal (no processing).**

Step 9. On the first line, enter today's date. On the third line, enter date Participation Agreement was signed (see step #2). These two dates do not need to be the same.



- Step 10. On page 2, **Section 2**, Election, mark your choice (Purchase or Rental). If you select Purchase, we suggest you also select the Equipment Replacement Program to cover your Terminals in case of malfunction.
- Step 11. On page 3, enter the legal entity name of the Operated Location, Participating Franchisee or Sub-Franchisee on the first line. On the remaining lines, sign and enter your name, title, street address, city, state and zip code of the legal entity along with the date Addendum #1 is signed.
- Step 12. Following page 3, complete and sign the **FD Prepaid Implementation and Boarding Form Version Dq**.
- Step 13. Return both completed and signed originals of the Participation Agreement and Credit Application to the following fax number:

**FAX: 1- 402- 916- 8946**

After processing your Participation Agreement, GIFT will return 1 fully executed copy of the Participation Agreement to you. Accompanying your copy of the Agreement will be a cover letter containing your GIFT Merchant ID Number and First Data Net log-on information with password to access your gift card reconciliation reports via the Internet.

## Participation Agreement for U.S. Franchisees and Sub-Franchisees of DQ GC Inc.

This "**Participation Agreement**" is between **First Data Resources, LLC**, successor in interest to Gift Solutions LLC, f/k/a ValueLink, LLC ("**GIFT**") and \_\_\_\_\_ [insert full legal name] ("**Operated Location**," "**Participating Franchisee**" or "**Sub-Franchisee**"), and shall be effective on the latest date that appears in the signature block. Unless otherwise indicated herein, "**party**" or "**parties**" refer to GIFT and/or Participating Franchisee or Sub-Franchisee. "**Processor**" refers to GIFT and its agents. A "**Designated Location**" is a Dairy Queen Restaurant and/or Orange Julius Store owned and operated by Participating Franchisee or Sub-Franchisee.

### Background

- **DQ GC Inc. ("Client")** and GIFT entered into that certain Agreement, dated JUNE 14, 2006 (the "**Agreement**"), pursuant to which Client operates a stored value card program ("**Client's Program**" or the "**Program**") and GIFT provides to Client data processing and related services for the Program;
- Operated Location (which are Designated Locations operated by Client), Participating Franchisee or Sub-Franchisee (which collectively are franchisees of Client) desire to participate in the Program and Client has approved Operated Location, Participating Franchisee or Sub-Franchisee to participate in the Program; and
- Operated Location, Participating Franchisee or Sub-Franchisee will engage GIFT to provide, and GIFT has agreed to provide to Operated Locations, Participating Franchisee or Sub-Franchisee, the Services, as defined below, for the Program in accordance with the terms of this Participation Agreement.

The parties agree as follows:

- 1 **GIFT Responsibilities.** GIFT will provide these services (the "Services"):
  - 1.1 **Database; Reports.** GIFT will maintain a Database of Card Data. "**Card Data**" is the transaction record and current value of each Card recorded in the Database. The "**Database**" is the information repository software owned and operated by GIFT or its suppliers.
  - 1.2 **Authorization.** GIFT will respond to authorization requests and process Card transactions received at GIFT's data processing center in GIFT's designated format ("**Authorization**"). GIFT will reduce the Card balance by the amount authorized. Operated Locations, Participating Franchisee or Sub-Franchisee will obtain payment from the Cardholder for any deficiency between the purchase price and the amount authorized. "**Cardholder**" means any person possessing or using a Card or Card number. Authorizations will be provided in a real time or batch environment, as mutually agreed. Authorizations will be based on the available balance recorded in the Database. GIFT is not responsible for determining whether transactions are fraudulent, improper or otherwise unauthorized.
  - 1.3 **IVR; Help Desk.** GIFT will operate an IVR, 24 hours per day, 7 days per week for the processing of mutually agreed transactions. "**IVR**" means an automated interactive voice response system accessible from the U.S. and Canada through a toll free telephone number. GIFT shall provide the following help desks during the term of this Agreement: (i) a Level I help desk that will be available twenty-four (24) hours per day, seven (7) days per week (Christmas Day excluded), for the processing of transactions pursuant to this Agreement, which shall provide Cardholder and restaurant support from a toll free telephone number; and (ii) a Level II help desk that will be available Monday through Friday, 8:00 am to 8:00 pm ET, which shall provide restaurant support from a toll free telephone number that will be provided to Client.
  - 1.4 **Settlement.** GIFT will, through its Agents, and as Processor, provide certain settlement services to Client and Operated Locations, Participating Franchisee or Sub-Franchisee (the "**ACH Settlement Services**") through debits and credits to the Operated Locations, Participating Franchisee or Sub-Franchisee Account (as defined below) and the designated accounts of Client (the "**Merchant Account**") for the net value of Card Transactions. Operated Locations, Participating Franchisee or Sub-Franchisee must provide Client

## EXECUTION

with an ACH Authorization in the form of **Exhibit A** hereto, and by executing this Participation Agreement, hereby confirms its authorization of Client and its service providers (including GIFT and Affiliated Processor, acting on behalf of Client) to initiate debit and credit entries to the Operated Locations, Participating Franchisee or Sub-Franchisee Account as necessary or appropriate to effect any Card transaction and all adjustments and corrections thereto, and as necessary or appropriate to effect any other transfer contemplated by this Participation Agreement. Operated Locations, Participating Franchisee or Sub-Franchisee shall comply with and be bound by any applicable law and the rules and regulations of the National Automated ClearingHouse Association as in effect from time to time.

- 1.5 **Returned Items.** In the event that any debit to Participating Franchisee or Sub-Franchisee Account is returned for any reason, including but not limited to, insufficient funds, Participating Franchisee or Sub-Franchisee authorizes Client and its service providers, acting on behalf of Client, to initiate a debit to the Participating Franchisee or Sub-Franchisee Account as set forth in the form of **Exhibit A** for the original debit amount plus any associated returned item fees (including, but not limited to the "**Returned Item Fee**" set forth on **Exhibit C** hereto). Nothing herein shall be construed to limit Client (as third party beneficiaries under this Participation Agreement) or GIFT's ability to collect any amounts owed under this Participation Agreement, and Client (as third party beneficiaries under this Participation Agreement) and GIFT expressly reserve the right to exercise any and all rights and remedies available under applicable law.
- 1.6 **License.** GIFT may provide or permit Operated Locations, Participating Franchisee or Sub-Franchisee to access computer software, enhancements thereto and updates, new releases, and copies thereof ("**Software**"). All right, title and interest in and to all Software will remain in GIFT or its suppliers and no title is transferred to Operated Locations, Participating Franchisee or Sub-Franchisee. GIFT grants to Operated Locations, Participating Franchisee or Sub-Franchisee, and Operated Locations, Participating Franchisee or Sub-Franchisee accepts, the nonexclusive, nontransferable right during the term of this Participation Agreement to use the Software solely to perform its obligations. Operated Locations, Participating Franchisee or Sub-Franchisee will not copy, modify, distribute, display, sublicense, rent, reverse engineer, decompile, create derivative works of, or disassemble the Software, nor will Operated Locations, Participating Franchisee or Sub-Franchisee allow anyone else to do so, except to the extent permitted by applicable law. Operated Locations, Participating Franchisee or Sub-Franchisee acknowledges that the Software is proprietary and Confidential Information of GIFT. Operated Locations, Participating Franchisee or Sub-Franchisee will not alter, remove, modify or suppress any notices in the Software.

## 2 Operated Location, Participating Franchisee or Sub-Franchisee Responsibilities.

- 2.1 **Card Production.** Operated Locations, Participating Franchisee or Sub-Franchisee will obtain all Cards for the Program from Client. A "**Card**" is a Client-issued plastic card with a magnetic stripe that accesses Card Data. Operated Locations, Participating Franchisee or Sub-Franchisee acknowledges that Client is responsible for the control and distribution of Cards to Operated Locations, Participating Franchisee or Sub-Franchisee under the Program.
- 2.2 **Operated Locations, Franchisee or Sub-Franchisee Account.** Operated Locations, Participating Franchisee or Sub-Franchisee shall establish and maintain a deposit account(s) (the "**Operated Locations, Franchisee or Sub-Franchisee Account**") at an insured depository institution (the "**Depository**") for the settlement of Card transactions and other transactions as authorized from time to time in the Program Procedures (as defined below, and collectively referred to as "**Card Transactions**").
- 2.3 **Distribution; Card Authorization Equipment.** Operated Locations, Participating Franchisee or Sub-Franchisee will actively promote the Program. Operated Locations, Participating Franchisee or Sub-Franchisee will request an Authorization in advance of each transaction. Operated Locations, Participating Franchisee or Sub-Franchisee will provide and maintain (i) all POS devices, telecommunications facilities and other equipment (collectively, "**Card Authorization Equipment**") required for Operated Locations, Participating Franchisee or Sub-Franchisee to electronically transmit Card transaction data from Designated Locations to GIFT; and (ii) any development, programming or other modifications to the Card Authorization Equipment as necessary to access and use Services and Service modifications. A "**POS**" is a

## EXECUTION

point of sale terminal, device or system certified to GIFT specifications. The parties will test the Card Authorization Equipment for functionality prior to Program launch.

- 2.4 **Designated Locations.** Operated Locations, Participating Franchisee or Sub-Franchisee shall participate in the Program in each of its Designated Locations. Information regarding Operated Locations, Participating Franchisee or Sub-Franchisee's Designated Locations is set forth in the Schedule of Designated Locations, attached hereto as **Exhibit B**. During the Term, Operated Locations, Participating Franchisee or Sub-Franchisee shall notify GIFT of any changes necessary to keep **Exhibit B** updated, including, without limitation, any restaurant transfers or closures, and this Participation Agreement shall no longer apply with respect to such Designated Locations and, to the extent that Operated Locations, Participating Franchisee or Sub-Franchisee acquires an additional Designated Location, this Participation Agreement shall apply with respect to such new Designated Location. Each time Card Transactions are authorized at a Designated Location of Operated Locations, Participating Franchisee or Sub-Franchisee, Operated Locations, Participating Franchisee or Sub-Franchisee represents and warrants that **Exhibit B** is a complete list of its Designated Locations, and that the information contained therein is true and correct.
- 2.5 **Program Procedures.** The processes and procedures by which Operated Locations, Participating Franchisee or Sub-Franchisee sells Cards and enables use of Cards at Designated Locations are also part of the Program, and Operated Locations, Participating Franchisee or Sub-Franchisee shall be solely responsible that such processes and procedures comply with the Program Procedures, as defined below. Client is solely responsible for defining and implementing those processes and procedures, including those relating to the sale of Cards, service fees (if any), Card redemption, merchandise returns or refunds and Cardholder dispute resolution (collectively, "**Program Procedures**"). Operated Locations, Participating Franchisee or Sub-Franchisee understands that GIFT has no obligation to process any transaction for any card other than Cards supported under the Program.
- 2.6 **Cardholder Fees.** Fees assessed to Cardholders in connection with Cards, including any transaction, maintenance or inactivity fees, shall be as established by Client. Operated Locations, Participating Franchisee or Sub-Franchisee shall not assess any fee or surcharge for purchase, use, activation or any other transaction in respect of a Card unless otherwise defined in the Program Procedures.
- 2.7 **Terminals.** Each Operated Location's, Participating Franchisee's and Sub-Franchisee's Designated Locations must use a terminal certified to GIFT's specifications (the "**Terminal**") for Card Transactions. In the event an Operated Locations, Participating Franchisee or Sub-Franchisee does not currently own, rent or lease the Terminals, it will need to acquire Terminals in accordance with the pricing indicated on **Addendum #1**, attached hereto. Should an Operated Location's, Participating Franchisee's or Sub-Franchisee's Designated Location currently operate one or more point of sale terminals that support Card Transactions and are certified to GIFT's specifications and Client's Program Procedures, such Designated Location may use such certified terminals for Card Transactions.

### 3 Fees and Charges.

- 3.1 **Fees.** Participating Franchisee or Sub-Franchisee shall pay, in accordance with **Exhibit C**, the Program fees set forth on **Exhibit C** to this Participation Agreement ("**Program Fees**"). Participating Franchisee or Sub-Franchisee agrees that all Program Fees shall be paid by an ACH debit from the Participating Franchisee or Sub-Franchisee Account as set forth in the form of **Exhibit A**, and Participating Franchisee or Sub-Franchisee authorizes Client and its service providers, including GIFT, to debit and/or credit funds from or to the Participating Franchisee or Sub-Franchisee Account for such purpose, on or about the 15th calendar day of each month, for so long as this Participation Agreement is in effect.
- 3.2 **Fee Adjustments.** Program Fees are subject to adjustment if necessary to pass through any increases or decreases in costs associated with the Program. Any such adjustment resulting in an increase in cost associated with Program Fees shall become effective upon thirty (30) days notice to Participating Franchisee or Sub-Franchisee.

- 4 **Term.** The "**Term**" begins when the Participation Agreement is signed by the parties and continues for so long as the Agreement is in effect, provided, however, that to the extent GIFT is required to provide commercially reasonable

## EXECUTION

support services following a termination of the Agreement, the provisions of this Participation Agreement shall remain in effect, but only to the extent necessary for GIFT to perform such services and for Operated Locations, Participating Franchisee or Sub-Franchisee to fulfill its obligations in connection with such services. Notwithstanding anything herein to the contrary, Participating Franchisee or Sub-Franchisee has the right to terminate this Participation Agreement, without cause and without any penalty fee, upon no less than sixty (60) days' prior written notice to GIFT, with a copy of such notice to Client.

### 5 Termination for Cause.

- 5.1 Either party has the right to terminate this Participation Agreement immediately in the event that the other party is guilty of a material breach of this Participation Agreement, and such breach remains uncured thirty (30) days following receipt of notice thereof. GIFT will provide a copy of such notice of termination to Client.
- 5.2 GIFT may terminate this Participation Agreement upon notice to Operated Locations, Participating Franchisee or Sub-Franchisee: (i) if Operated Locations, Participating Franchisee or Sub-Franchisee or the Program causes GIFT to violate any law or regulation and Operated Locations, Participating Franchisee or Sub-Franchisee or Client fails to cure the condition causing such violation within ten (10) business days after notice; (ii) if Operated Locations, Participating Franchisee or Sub-Franchisee fails to pay any amount due within ten (10) days after receipt of notice; (iii) if GIFT determines, in its sole discretion, that a material adverse change has occurred in the financial condition of Operated Locations, Participating Franchisee or Sub-Franchisee; (iv) in whole or in part, in one or more jurisdictions, if the ACH Settlement Services cause GIFT or its Affiliated Processor to violate any law or regulation and Operated Locations, Participating Franchisee or Sub-Franchisee or Client fails to cure the condition causing such violation within ten (10) business days after notice; (v) if GIFT is informed that Operated Locations, Participating Franchisee or Sub-Franchisee no longer operates as a franchisee of Client; or (vi) if Client instructs GIFT in writing to immediately terminate the Participation Agreement. GIFT will provide a copy of such notice of termination to Client. GIFT's obligation to provide the Services will be suspended during the cure periods referenced in clauses (i) and (iv).
- 5.3 Either party may also terminate this Participation Agreement immediately in the event that the other party shall go into liquidation, suffer the appointment of a receivership of its assets, go into bankruptcy, voluntarily or involuntarily, or otherwise take advantage of any insolvency laws, or upon any voluntary or involuntary sale, transfer, or other disposition of substantially all of the assets of the other party. GIFT will provide a copy of such notice of termination to Client.

**6 Termination of Agreement.** Termination or expiration of the Agreement results in immediate termination of this Participation Agreement with no notice required.

**7 Termination of Franchise Agreement(s).** Termination or expiration of Operated Location's, Participating Franchisee's or Sub-Franchisee's franchise agreement(s) with Client ("**Franchise Agreement**") results in immediate termination of this Participation Agreement with respect to the Designated Locations covered by the terminated or expired Franchise Agreement, with no notice required.

**8 Exclusivity.** During the Agreement term: (i) GIFT will be the sole and exclusive provider of the Services to Operated Locations, Participating Franchisee or Sub-Franchisee; and (ii) Operated Locations, Participating Franchisee or Sub-Franchisee will not, directly or indirectly, offer or promote any other proprietary, closed network, online gift card program. Nothing in the foregoing shall restrict or prohibit Operated Locations, Participating Franchisee or Sub-Franchisee from accepting any Visa, MasterCard, American Express, Discover or other universally accepted credit or debit card or from participating in any "open network" gift card program with other merchants. For purposes of clarification, a "closed network" program refers to a program in which a gift card is accepted only by the issuing merchant, and an "open network" program refers to a program in which a single gift card is accepted by more than one unaffiliated merchants. During the Term of this Agreement, Operated Locations, Participating Franchisee or Sub Franchisee shall have the right to accept a mail issued gift card.

**9 Confidentiality. "Confidential Information"** includes this Participation Agreement and any information obtained by one party ("**Recipient**") regarding the other party ("**Discloser**") or their respective businesses, including all

confidential or proprietary concepts, Software, documentation, reports, data, specifications, Card Data, computer software, source code, object code, flow charts, databases, inventions, know-how, show-how and trade secrets, whether or not patentable or copyrightable. Confidential Information will not include information that: (i) is or becomes in the public domain through no fault of Recipient; (ii) was received from a third party free of any obligation of confidence to Recipient's knowledge; (iii) was in Recipient's possession prior to receipt from Discloser;

(iv) is required to be disclosed by law, regulation or court order after giving Discloser as much advance notice as practical; or (v) is independently developed by Recipient's employees, consultants or agents without use of or reference to the Discloser's Confidential Information. Participation Agreement will be used by Recipient only to exercise its rights and to perform its obligations under this Participation Agreement. Recipient will use reasonable care to safeguard Confidential Information. Recipient will return or destroy Confidential Information within a reasonable period after request, except that GIFT may retain Card Data, subject to this **Section 9**, to comply with any legal or regulatory requirements or any potential audit requests or requirements. Breach of the restrictions on use or disclosure of Confidential Information will result in immediate and irreparable harm to Discloser and money damages will be inadequate to compensate for that harm. Discloser will be entitled to equitable relief in addition to all other available remedies to redress any breach. Except as expressly provided herein, no license is granted to Recipient under any Discloser patent, trademark, copyright, trade secret or other proprietary right.

### 10 Indemnification.

- 10.1 **General.** Subject to the limitations set forth in **Sections 11**, each party will indemnify the other, its Affiliates, and their respective directors, officers, employees, and agents from and against any and all third party claims, losses, liabilities and damages (including reasonable attorneys' fees and costs of settlement) resulting from or arising out of its failure to comply with this Participation Agreement. Operated Locations, Participating Franchisee or Sub-Franchisee further agrees to indemnify GIFT, its directors, officers, employees, and agents from and against any and all third party claims, losses, liabilities and damages (including reasonable attorneys' fees and costs of settlement) resulting from or arising out of GIFT's compliance with Operated Locations, Participating Franchisee or Sub-Franchisee's instructions, orders or specifications. "**Affiliate**" means, with respect to either party, any entity controlling, controlled by or under common control with such party.
- 10.2 **Intellectual Property.** GIFT agrees to indemnify Operated Locations, Participating Franchisee or Sub-Franchisee, its directors, officers, employees and agents from and against all third party claims, losses, liabilities and damages (including reasonable attorneys' fees and costs of settlement) resulting from or arising out of any allegation that GIFT's Software misappropriate or infringe such third party's U.S. copyright, trademark, patent or other intellectual property right, except to the extent that such allegation arises from (i) Operated Locations, Participating Franchisee or Sub-Franchisee's use of Software other than in compliance with this Agreement and any documentation supplied by GIFT, (ii) Operated Locations, Participating Franchisee or Sub-Franchisee's use of Software in combination with other software, equipment, systems, services, processes, components or elements not provided by GIFT, if the infringement or misappropriation would not have occurred but for such use or combination, or (iii) modifications or development requested by Client or Operated Locations, Participating Franchisee or Sub-Franchisee, using designs, instructions or specifications provided or approved by Client or Operated Locations, Participating Franchisee or Sub-Franchisee. Operated Locations, Participating Franchisee or Sub-Franchisee agrees to indemnify GIFT, its directors, officers, employees and agents from and against all third party claims, losses, liabilities and damages (including reasonable attorneys' fees and costs of settlement) resulting from or arising out of any allegation that materials supplied by Client or Operated Locations, Participating Franchisee or Sub-Franchisee (including trademarks, artwork, designs and specifications) misappropriate or infringe such third party's U.S. copyright, trademark, patent or other intellectual property right, except to the extent that such allegation arises from GIFT's use of such materials other than in compliance with (a) this Agreement or (b) any relevant instructions supplied by Client or Operated Locations, Participating Franchisee or Sub-Franchisee.

## 11 Limitation of Liability; Disclaimer of Warranties.

- 11.1 **Limitation.** Except for **Section 10.2**. Above, GIFT'S, and its suppliers' and processor's, cumulative aggregate liability to Client and Operated Locations, Participating Franchisee and Sub-Franchisees and all other operated locations, participating franchisee and sub-franchisees under the Agreement this Participation Agreement and all participation agreements will be limited to actual direct damages and, in any event, will not: (i) exceed \$3,000,000; or (ii) include any liability for claims arising out of or relating to the cards issued to Participating Franchisees from Client. For example, if Client and two additional Operated Locations, Participating Franchisee and Sub-Franchisees participate in the Program, GIFT'S cumulative aggregate liability to Client and such Operated Locations, Participating Franchisee and Sub-Franchisees for actual direct damages will not exceed \$3,000,000 and will not include any liability for claims arising out of or relating to services and/or items supplied by Client or third parties.
- 11.2 **Exclusion.** In no event will any party to this Participation Agreement, their affiliates, or any of their respective officers, directors, employees, or agents be liable for lost profits, lost business opportunities, lost revenues, exemplary, punitive, special, incidental, indirect or consequential damages or the like, each of which is excluded by agreement of the parties regardless of whether such damages were foreseeable or whether a party has been advised of the possibility thereof.
- 11.3 **Disclaimer.** This is a service agreement. Except as expressly provided in this Participation Agreement, GIFT disclaims all representations and warranties, express or implied, including any warranties of quality, suitability, merchantability, fitness for a particular purpose or noninfringement.
- 11.4 **Time Limitation.** Operated Locations, Participating Franchisee or Sub-Franchisee may not assert any cause of action against GIFT under this Participation Agreement that was or reasonably should have been discovered by Operated Locations, Participating Franchisee or Sub-Franchisee more than one year prior to the filing of a suit or the commencement of arbitration proceedings alleging such cause of action.
- 11.5 **Compliance with Law.** Operated Locations, Participating Franchisee or Sub-Franchisee will comply with all laws and regulations applicable to its business.

**12 Pre-condition to Liability.** Prior to bringing any claim against GIFT under this Participation Agreement, Participating Franchisee or Sub-Franchisee shall provide Client with written notice detailing the claim ("**Notice of Claim**"), and Client shall have the right to pursue such claim on Operated Location's, Participating Franchisee's or Sub-Franchisee's behalf by providing Operated Location, Participating Franchisee or Sub-Franchisee with written notice of the same within ten (10) business days after receiving the Notice of Claim. If Client elects to pursue such claim on Operated Location's, Participating Franchisee's or Sub-Franchisee's behalf, Operated Location, Participating Franchisee or Sub-Franchisee may participate in the claim with Client at Operated Location's, Participating Franchisee's or Sub-Franchisee's election. Any resolution of a claim brought by Client on Operated Location's, Participating Franchisee's or Sub-Franchisee's behalf shall be binding on Operated Location, Participating Franchisee or Sub-Franchisee. If Client elects not to pursue such claim on Operated Location's, Participating Franchisee's or Sub-Franchisee's behalf, Operated Location, Participating Franchisee or Sub-Franchisee may pursue such claim on its own behalf.

## 13 Miscellaneous.

- 13.1 **Notices.** Notices will be effective upon receipt if they are received in writing, by registered or certified mail, postage prepaid, return receipt requested or by overnight delivery to the President of the other party at its address on the signature page.
- 13.2 **Independent Contractor; Third Party Beneficiaries.** The parties are independent contractors. Neither party shall have any authority to bind the other. This Participation Agreement is entered into solely for the benefit of GIFT and Operated Locations, Participating Franchisee or Sub-Franchisee, and will not confer any rights upon any person not expressly a party to this Participation Agreement, including Cardholders. GIFT may subcontract with others to provide Services provided that no such use of subcontractors will relieve GIFT of its obligations under this Agreement.
- 13.3 **Complete Agreement.** This Participation Agreement is the complete and exclusive understanding of the

## EXECUTION

parties with respect to its subject matter. Except as expressly provided herein, no modification or waiver of this Participation Agreement will be valid unless in writing signed by each party. A party's waiver of a breach of any term will not be a waiver of any subsequent breach of the same or another term.

- 13.4 **Assignment.** Operated Locations, Participating Franchisee or Sub-Franchisee may not assign its rights or delegate its obligations under this Participation Agreement without GIFT's prior written consent.

**14 Governing Law; Arbitration.** The laws of the State of Delaware, excluding its rules on conflicts of laws, will govern this Participation Agreement. Subject to **Section 12**, all disputes will be submitted to the American Arbitration Association (the "AAA") for resolution before a panel consisting of three arbitrators, one of which will be selected by Participating Franchisee or Sub-Franchisee, one by GIFT and the third selected by mutual agreement of the first two. Arbitration will be conducted in accordance with the Commercial Arbitration Rules of the AAA then in effect. The decision of the arbitrators will be binding upon the parties; except that disputes arising out of **Section 9** will not be subject to arbitration, and may be brought to a court for judicial resolution. Judgment upon any arbitration award or decision may be entered in any court having jurisdiction. Arbitration will be held in Denver, Colorado. Each party will pay its own arbitration expenses and one-half of the fee of the arbitrators and the administrative fee of the AAA. The Colorado Rules of Evidence will apply to such arbitration. The arbitrators will be required to render a decision based on the terms of this Participation Agreement and applicable law.

**[Signatures on next page.]**



## EXECUTION

### Authorized Signatures:

\_\_\_\_\_

State of Formation: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Address for Notices:

\_\_\_\_\_

\_\_\_\_\_

Attention: \_\_\_\_\_

and copy to: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Attention: \_\_\_\_\_

### First Data Resources, LLC

\_\_\_\_\_

\_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Address for Notices:

### First Data Resources, LLC

2900 Westside Parkway

Alpharetta, GA 30004

Attention: Vice President Operations

and copy to:

### First Data Resources, LLC

6855 Pacific Street

Omaha, Nebraska 68106

Attention: Legal Department

## EXHIBIT A

## ACH (Debit and Credit) Authorization

By providing the information requested below and signing this ACH Authorization, the undersigned Operated Locations, Participating Franchisee or Sub-Franchisee hereby:

1. Authorizes Client and its service providers, acting on behalf of Client, to initiate ACH debit and credit entries to the deposit account indicated below, and to debit and credit the same to such account, as necessary or appropriate to effect any Card transaction and all adjustments and corrections thereto, and as necessary or appropriate to effect any other transfer contemplated by the Participation Agreement, including, without limitation, any Program fees, (including, but not limited to shipping fees, fulfillment fees, merchandising materials and card fees, etc.);
2. In the event that any debit to the deposit account is returned for any reason, Operated Locations, Participating Franchisee or Sub-Franchisee authorizes Client and its service providers, acting on behalf of Client, to initiate a debit to the account for the original debit amount plus any associated returned item fees;
3. Agrees that Operated Locations, Participating Franchisee or Sub-Franchisee will comply with any applicable law and the rules and regulations of the National Automated Clearing House Association as in effect from time to time; and
4. Certifies that the authorized officer indicated below has the authority to bind Operated Locations, Participating Franchisee or Sub-Franchisee, and that this ACH Authorization constitutes a writing signed by Participating Franchisee or Sub-Franchisee.

Bank Name: \_\_\_\_\_

Account No.: \_\_\_\_\_

Account Title: \_\_\_\_\_

ABA Routing No.: \_\_\_\_\_

|               |               |               |              |
|---------------|---------------|---------------|--------------|
| <b>PLEASE</b> | <b>ATTACH</b> | <b>VOIDED</b> | <b>CHECK</b> |
|---------------|---------------|---------------|--------------|

**\*\*\*NO STARTER CHECKS\*\*\*** If you only have starter checks, instead please provide a short bank letter instead validating the Business checking account name, account number and routing number.

## EXECUTION

Capitalized terms used herein without definition shall have the meaning provided to such terms in the Participation Agreement.

This authorization is to remain in full force and effect until thirty (30) days after the Participation Agreement has been terminated and Client has received written notification from Operated Locations, Participating Franchisee or Sub-Franchisee of this authorization's termination in such time and in such manner as to afford Client and its third party service providers and the Depository a reasonable opportunity to act on it. No such termination shall relieve Operated Locations, Participating Franchisee or Sub-Franchisee of any obligations or liabilities that accrue or relate to events that have occurred prior to such termination.

### Authorization and Agreement:

**Operated Locations, Participating Franchisee or Sub-Franchisee:**

*(Please type or legibly write legal entity name on line below)*

Legal Entity Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Street Address: \_\_\_\_\_

City, State and ZIP: \_\_\_\_\_

Phone Number: \_\_\_\_\_

Facsimile (Fax): \_\_\_\_\_

E-mail: \_\_\_\_\_

Entity Taxpayer ID #: \_\_\_\_\_

**EXHIBIT B**

### Schedule of Designated Locations - REQUIRED

Please list each Dairy Queen Store Number and address information for each Designated Location that you are signing up for the program.

[illegible]

Please attach additional pages as necessary.

## EXHIBIT C

### Program Fees

**Card Transaction Fee:** Participating Franchisee or Sub-Franchisee will pay Client an initial transaction processing fee of **\$0.04** on all Card redemption, reload, balance inquiry, time-out reversal and void transactions initiated from Card Authorization Equipment within each of Participating Franchisee or Sub-Franchisee's Designated Locations, subject to adjustment per **Section 3** of the Participation Agreement.

**Help Desk Support Fee:** Participating Franchisee or Sub-Franchisee will pay Client a monthly fee of **\$3.50** for each Designated Location that Participating Franchisee or Sub-Franchisee signs up for the Program.

**ACH Settlement Services Fee:** Participating Franchisee or Sub-Franchisee will pay Client a fee of **\$0.10** for each ACH debit or credit entry initiated to the Participating Franchisee or Sub-Franchisee Account.

**ACH Returned Item Fee:** Participating Franchisee or Sub-Franchisee will pay Client a returned ACH item fee of **\$25.00** for each ACH entry submitted against the Franchisee or Sub-Franchisee Account that is returned for any reason, including but not limited to insufficient funds. Fee will not be charged to Participating Franchisee or Sub-Franchisee if returned ACH item is caused by Client's service provider.

**Terminal Reprogramming Fee:** For Participating Franchisee or Sub Franchisee owned FD-150 Terminals that are not provided by GIFT, there is a **\$25.00** per Terminal reprogramming fee associated with downloading a GIFT gift card Terminal application via telephone.

## ADDENDUM #1

## Addendum for FD-150 Terminals

This Terminal Addendum ("**Addendum**"), effective as of the latest date that appears in the signature block, is between **First Data Resources, LLC**, successor in interest to Gift Solutions LLC, f/k/a ValueLink, LLC ("**GIFT**") and the undersigned **Operated Location, Participating Franchisee** and **Sub-Franchisee**, and supplements the Participation Agreement between them dated \_\_\_\_\_, 20\_\_\_\_ (the "**Agreement**") and sets forth the terms pursuant to which Operated Locations, Operated Location, Participating Franchisee and Sub-Franchisee will purchase or rent Terminals. Capitalized terms not defined herein shall have the meanings assigned in the Agreement.

**1. Purchase and Rental Options.**

- 1.1. **Purchase.** Participating Franchisee and Sub-Franchisee may purchase Terminals subject to terms set forth below.
  - 1.1.1. **Sale Price; Adjustments.** Operated Locations, Participating Franchisee and Sub-Franchisee may purchase a new Terminal(s) offered by GIFT at a sale price of \$245.00 (the "**Sale Price**").
  - 1.1.2. **Deployment Fee.** In addition, Operated Locations, Participating Franchisee and Sub-Franchisee will be charged a one-time deployment fee of \$75.00 per Terminal deployment per Designated Location.
  - 1.1.3. **Equipment Replacement Program.** Participating Franchisee and Sub-Franchisee may, but shall not be obligated to, participate in an equipment replacement program for Terminal(s) purchased from GIFT that are out of warranty at a cost of \$125.00 per replaced Terminal. Equipment replacement includes, but is not limited to, overnight service on replacement Terminal and call tag pick-up of defective Terminal.
- 1.2. **Rental.** Participating Franchisee and Sub-Franchisee may rent Terminals subject to the terms set forth below.
  - 1.2.1. **Rental Rates.** Operated Locations, Participating Franchisee and Sub-Franchisee may rent Terminal(s) from GIFT, or another provider designated by GIFT pursuant to GIFT's (or the alternative provider's) standard rental agreement terms at a rate of \$25.00 per Terminal with no rental term commitment; \$14.00 per Terminal based on a rental term commitment of 36 months and \$11.00 per Terminal based on a rental term commitment of 48 months. Rental Terminals deployed by GIFT or its alternative provider may be either new or refurbished.
  - 1.2.2. **Deployment Fee.** In addition, Operated Locations, Participating Franchisee and Sub-Franchisee will be charged a one-time deployment fee of \$75.00 per Terminal deployment plus applicable shipping, duties and taxes per Designated Location.
  - 1.2.3. **Purchase Option.** Should Participating Franchisee and Sub-Franchisee choose the Terminal rental option of either a 36 month or 48 month term commitment, Participating Franchisee and Sub-Franchisee shall have the option to purchase any or all of the rented Terminal(s) at \$25.00 per Terminal at the end of the Rental Term. Terminals not purchased shall be returned to the Terminal provider.
  - 1.2.4. **Early Termination Fees.** Should Participating Franchisee and Sub-Franchisee choose the Terminal

## EXECUTION

rental option of either a 36 month or 48 month term commitment and if Terminal(s) are rented for less than the term of the rental commitment, Participating Franchisee or Sub-Franchisee will be subject to an administration fee for each rented Terminal at the cessation of the Rental Term equal to (A) For a 36 month rental term; \$10.41 multiplied by the difference between thirty-six (36) and the number of monthly rental payments made by Participating Franchisee or Sub-Franchisee; (B) For a 48 month rental term; \$7.81 multiplied by the difference between forty-eight (48) and the number of monthly rental payments made by Participating Franchisee or Sub-Franchisee and (C) a "Restocking Fee" calculated as follows:

- a) If less than 20 Rental Payments are Made then the Restocking Fee Per Terminal is \$50.00
- b) If 20 to 36 Rental Payments are Made then the Restocking Fee Per Terminal is \$40.00
- c) If 37 to 48 Rental Payments are Made then the Restocking Fee Per Terminal is \$30.00

1.2.5. **Equipment Replacement Program.** All Terminals rented shall be included in an equipment replacement program at no additional cost. Equipment replacement includes, but is not limited to, overnight service on replacement Terminal and call tag pick-up of defective Terminal.

## 2. Election.

Operated Locations, Participating Franchisee and Sub-Franchisee hereby selects the following (check all applicable and fill in quantities):

| Terminal Option  | Terminal Type                      | Terminal Quantity | Term (if applicable) | Applicable Price        | Total |
|--|------------------------------------|-------------------|----------------------|-------------------------|-------|
| <input type="checkbox"/> Purchase                      | First Data 150 terminal (N-FD-150) |                   | N/A                  | \$245.00 per Terminal * |       |
| <input type="checkbox"/> Equipment Replacement Program | First Data 150 terminal (N-FD-150) |                   | N/A                  | \$125.00 per Terminal   | N/A   |
| <input type="checkbox"/> Rental                        | First Data 150 terminal (N-FD-150) |                   | N/A                  | \$25.00 per Terminal *  |       |
| <input type="checkbox"/> Rental                        | First Data 150 terminal (N-FD-150) |                   | 36 months            | \$14.00 per Terminal *  |       |
| <input type="checkbox"/> Rental                        | First Data 150 terminal (N-FD-150) |                   | 48 months            | \$11.00 per Terminal *  |       |

\* Per Terminal Deployment Fee: \$75.00 per terminal:

- Inclusive of all application setup, download, shipping and handling fees.
- Inclusive of one terminal and/or peripherals and/or accessories that accompany one terminal.
- Inclusive of 1-3 business day delivery (3 day guaranteed).

3. **ACH Debit Authorization.** Operated Locations, Participating Franchisee and Sub-Franchisee authorizes GIFT and its service providers, acting on behalf of GIFT, to initiate ACH debit and credit entries to the deposit account indicated on Exhibit A to the Franchisee and Sub-Franchisee Participation Agreement, and to debit and credit the same to such account, as necessary or appropriate to effect any charge, fee or other transfer contemplated by this Addendum and all adjustments and corrections thereto. Operated Locations, Participating Franchisee and Sub-Franchisee shall comply with Applicable Law and the rules and regulations of the National Automated Clearing House Association as in effect from time to time.

## EXECUTION

4. **Conflict with Agreement.** Except as supplemented or amended by this Addendum, all provisions of the Agreement shall continue in full force and effect, but if there shall be any conflict or inconsistency between the provisions of this Addendum and the Agreement, the provisions of this Addendum shall govern and control.

### Authorized Signatures:

\_\_\_\_\_  
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

Address for Notices:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attn: \_\_\_\_\_  
and copy to: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attn: \_\_\_\_\_

### First Data Resources, LLC

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

Address for Notices:

First Data Resources, LLC  
2900 Westside Parkway  
Alpharetta, GA 30004  
Attn: Vice President Operations  
and copy to:  
First Data Resources, LLC  
6855 Pacific Street  
Omaha, Nebraska 68106  
Attn: Legal Department



## SECTION B: CREDIT APPLICATION

### INSTRUCTIONS

- Step 1. **Print 1 copy** of the attached Credit Application.
- Step 2. An owner, partner, or officer must complete and sign the Credit Application. A Social Security number is required. Complete as indicated.

## Credit Application

### Gift Solutions - Participating Franchisee

All questions must be answered fully in order for this credit application to be processed.

#### Participating Franchisee Information ("Franchisee")

|     |  |   |
|-----|--|---|
| 1.  | Legal Name of Operated Location, Participating Franchisee or Sub-Franchisee: |   |
| 2.  | Doing Business As (d/b/a):   |   |
| 3.  | Form of Organization:  | <input type="checkbox"/> Corporation <input type="checkbox"/> Limited Liability <input type="checkbox"/> Company <input type="checkbox"/> Sole Proprietorship<br><input type="checkbox"/> Partnership <input type="checkbox"/> Limited Partnership<br><input type="checkbox"/> Other: _____ |
| 4.  | State of Incorporation / Formation / Registration:                           |   |
| 5.  | Date of Incorporation / Formation / Registration:                            |   |
| 6.  | Federal Tax ID No (FEIN):  |   |
| 7.  | Mailing Address (Street/City/State/Zip):                                     |   |
| 8.  | Time at present address:   |   |
| 9.  | Time in Business:  |   |
| 10. | Telephone Number:  |   |
| 11. | Fax Number:  |   |
| 12. | Contact Name:  |   |
| 13. | Contact Email address:   |   |
| 14. | Contact Phone Number:  |   |
| 15. | Contact Fax Number:  |   |

#### Terms and Conditions

All statements contained in this application and in the financial statements and other documentation submitted in support of this application are true and correct. Permission and authorization is hereby granted to First Data Resources, LLC, First Data Corporation and its and their affiliates and representatives (collectively "FDC") as well as to prior employers, trade references, Dun & Bradstreet, banks, consumer credit services, consumer reporting agencies and state and federal government representatives, without regard to whether they are listed herein, to verify, receive, exchange, and obtain business and/or personal credit and other information including, without limitation criminal background checks, as part of this application. The undersigned further agree that neither FDC nor anyone who has furnished FDC any information concerning Franchisee or the undersigned owners and/or principals of Franchisee shall be responsible for any losses or damages of Franchisee or the undersigned owners or principals of Franchisee may claim as resulting from said verification, receipt, exchange, or obtaining business and/or personal credit or other business and/or personal information. Under penalty of perjury, the undersigned certify that: (i) the federal taxpayer identification number shown on this application as Franchisee's Federal Tax ID Number is the correct taxpayer identification number of Franchisee (or Franchisee is waiting for a number to be issued to Franchisee), and (ii) Franchisee is not subject to backup withholding because either Franchisee is exempt from backup withholding, or Franchisee has not been notified by the Internal Revenue Service (IRS) that it is subject to backup withholding as a result of failure to report all interest or dividends, or the IRS has notified Franchisee that it is no longer subject to backup withholding.

#### Owner/Partner/Officer Information:

Authorized Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Print Name: \_\_\_\_\_

Date of Birth: \_\_\_\_\_

Home Street Address: \_\_\_\_\_

Percentage of Ownership: \_\_\_\_\_

Home Phone Number: \_\_\_\_\_

Social Security Number: \_\_\_\_\_

# PREPAID IMPLEMENTATION AND BOARDING FORM—**REQUIRED** VERSION DQ

| FRANCHISEE / SHIP TO:  |  | TAX REPORTING REQUIREMENTS:  |  |
|--|--|--|--|
| Franchise Owner Name:  |  | Business Tax ID:   |  |
| Franchise Phone #:   |  | What Type? (SSN, EIN)  |  |
| Store Phone #:   |  | <b>GIFT Consortium:</b>  | Check one: <input type="checkbox"/> US 8448 <input type="checkbox"/> Canada 8454 |
| Company DBA Name:  |  | <b>GIFT MID (if already accepting GC today):</b>   |  |
| Store Location #:  |  | <b>GIFT Alt MID: (Dairy Queen 5 digit Store #)</b>   |  |
| Store Address:   |  | Channel: (First Data, Wells Fargo)   | <b>First Data</b>  |
| City, State or Province:   |  | 1099k Address 1  |  |
| Zip or Postal Code:  |  | 1099k Address 2  |  |
| Country:   |  | 1099k City/State/Zip/Country   |  |
| Franchise Owner Email address:   |  | <b>Payee Type (Check one):</b><br><input type="checkbox"/> <b>D</b> = Main Chain Account<br><input type="checkbox"/> <b>U</b> = Independently Owned Locations linked or not to a Chain<br><input type="checkbox"/> <b>E</b> = Not included in IRS Reporting; i.e Corporate locations |  |
| <b>MORE INFORMATION TO ASSIST US WITH YOUR REQUEST:</b>  |  |  |  |
| <b>Check One:</b><br><input type="checkbox"/> New business <input type="checkbox"/> Existing business adding location. |  | If you are setting up a <b>new account</b> for a new business, a Gift Card Merchant ID will be assigned for you.   |  |
| Do you currently own another store that is operating a DQ giftcard program?  | <input type="checkbox"/> YES <input type="checkbox"/> NO | Current Locations Gift Card Merchant ID Number:  |  |
| Gift Card Processor:   | <b>First Data</b>  | Who is your Credit/ Debit Processor: (Ex. Citi/First Data, BAMS, etc)  |  |
| Is this a change of ownership?   | <input type="checkbox"/> YES <input type="checkbox"/> NO | Existing Credit Merchant ID#: <i>If Applicable</i>   |  |
| Ship Method for Gift Cards inventory (Initial Card Shipment):  |  | <input type="checkbox"/> Ground <input type="checkbox"/> Priority <input type="checkbox"/> Overnight   |  |
| <b>BANKING INFORMATION:</b>  |  |  |  |
| Bank Name:   |  |  |  |
| Bank Account Name:   |  |  |  |
| Bank Account Number:   |  |  |  |
| Bank Routing Number:   |  |  |  |
| <b>AUTHORIZATION:</b>  |  |  |  |
| Your signature on this form confirms that all information submitted on this form is accurate                           |  |  |  |
| Owner Signature:   |  |  |  |
| Date   |  |  |  |
| Comments:  |  |  |  |
| *All Fields on this form are required in order to complete your request. Please print and sign*                        |  |  |  |
| Fax Enrollment forms to: 1-402-916-8946  |  |  |  |
| <b>First Data Use Only:</b>  |  |  |  |
| New Gift MID:  |  |  |  |
| FD Net User ID:  |  |  |  |
| FD Net Temp Password:  |  |  |  |

## MASTER SERVICES AGREEMENT

THIS MASTER SERVICES AGREEMENT (THE "**AGREEMENT**"), INCLUDING THE TERMS AND CONDITIONS BELOW ("**TERMS AND CONDITIONS**") IS ENTERED INTO AND EFFECTIVE AS OF APRIL 1, 2024 (THE "**MSA EFFECTIVE DATE**") BETWEEN PUNCHH INC. ("**PUNCHH**"), AND THE ENTITIES LISTED ON THE SIGNATURE PAGE, WITH THEIR PRINCIPAL BUSINESS LOCATIONS PROVIDED BELOW (COLLECTIVELY, "**CUSTOMER**").

WHEREAS, as of the date of this Agreement, Punchh provides a loyalty offering to some of Customer's Franchisees via an indirect relationship with a third party; and

WHEREAS, Customer desires to begin contracting directly with Punchh for the Punchh Services as set forth in this Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereto agree as follows:

## TERMS AND CONDITIONS

### 1. DEFINITIONS.

- 1.1 "**Affiliate**" means any person or entity, that now or hereafter, that directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, the Party specified.
- 1.2 "**Applicable Laws**" means all applicable present laws, rules, orders, ordinances, regulations, statutes, requirements, codes and executive orders of any governmental or judicial authorities.
- 1.3 "**Authorized Users**" means Customer, Customer employees or contractors, and all other third parties acting on Customer's behalf including its Affiliates who have been designated by Customer (excluding Punchh employees or contractors), on notice to Punchh, to receive unique login credentials permitting access to the Services.
- 1.4 "**Confidential Information**" has the meaning set forth in Section 10 hereof.
- 1.5 "**Documentation**" means any documentation made available to Customer by Punchh for use with the Services.
- 1.6 "**Fees**" means the fees payable by Customer to Punchh hereunder, as set forth on the Order or as may be otherwise agreed to by the Parties in writing.
- 1.7 "**Force Majeure**" has the meaning set forth in Section 17.7 hereof.
- 1.8 "**Franchisee**" means independently owned and operated franchise locations within the Dairy Queen® system.
- 1.9 "**including**" means "including without limitation."
- 1.10 "**Initial Term**" has the meaning set forth in Section 11.1 hereof.
- 1.11 "**Intellectual Property Rights**" means all patent rights, copyright rights, mask work rights, moral rights, rights of publicity, trademark, trade dress and service mark rights, goodwill, trade secret rights and other intellectual property rights as may now or hereafter exist, and all applications therefor and registrations, renewals and extensions thereof, under the laws of any state, country, territory or other jurisdiction.
- 1.12 "**Order**" means any order form executed by Punchh and Customer which is subject to these Terms and Conditions, and any other order form subsequently entered by the Parties that expressly references and incorporates these Terms and Conditions, all under this Agreement. Punchh and Customer have entered into (and/or may in the future enter into) one or more written Orders and corresponding statements of work ("**SOWs**") specifying certain Services and Professional Services.

- 1.13 **"Participating Location"** means any franchised location within the Dairy Queen® franchise system that has signed the relevant Participation Agreement set forth as Exhibit C hereto.
- 1.14 **"Party"** means either Punchh or Customer, and **"Parties"** means both Punchh and Customer.
- 1.15 **"Personal Data"** is defined in the data processing agreement attached as Exhibit B.
- 1.16 **"Platform"** means Punchh's online platform through which the Customer makes use of the Services.
- 1.17 **"Professional Services"** means implementation, mobile application development, consulting or other professional services performed by Punchh for the Customer, as may be set forth in a separate SOW signed by the parties.
- 1.18 **"Promotional Programs"** means various customer acquisition, customer retention, and/or customer marketing programs, including loyalty programs facilitated by Punchh.
- 1.19 **"Punchh Technology"** means i) the ideas, know-how, inventions, methods, or techniques developed or conceived as a result of providing the Services hereunder, including any derivative works, modifications, additions, improvements, enhancements and/or extensions made from or to the Services; ii) the Platform and the databases, software, hardware, and other technology used by or on behalf of Punchh to provide the Platform; and iii) any other Punchh property related to the Services or the Platform.
- 1.20 **"Services"** means Punchh's proprietary software as a service (SaaS) solution, available by means of the Platform, which permits Customer to design, execute, manage, and analyze Promotional Programs. Services do not include the Professional Services provided by Punchh to the Customer.
- 1.21 **"Transition Assistance Period"** is defined as the period of twelve (12) months for the orderly transition of Services to Customer or another supplier of Customer, beginning upon the expiration or termination of the Agreement.
- 1.22 **"Transition Assistance Services"** means Services and Professional Services provided to Customer and Participating Locations under the Transition Assistance Plan that is mutually agreed upon by the Parties as set forth in Section 11.5 .
- 1.23 **"Term"** has the meaning set forth in Section 11.1 hereof.
- 1.24 **"Upgrades"** means, with respect to the Services, fixes, updates, enhancements, or upgrades thereto; provided, however, that "Upgrades" shall not include additional modules for the Services, or new products or services, that Punchh may make available from time to time.

**2. SERVICES.** SUBJECT TO CUSTOMER'S COMPLIANCE WITH THIS AGREEMENT, PUNCHH AGREES TO PROVIDE CUSTOMER WITH THE RIGHT, DURING THE TERM, FOR ITS AUTHORIZED USERS TO ACCESS AND USE THE SERVICES SOLELY FOR CUSTOMER'S INTERNAL BUSINESS PURPOSES. SERVICES ARE PROVIDED UNDER THIS AGREEMENT ONLY IF SPECIFIED IN AN APPLICABLE ORDER. CUSTOMER MAY OBTAIN ADDITIONAL SERVICES BY ENTERING INTO ADDITIONAL ORDERS. PUNCHH RESERVES ALL RIGHTS NOT EXPRESSLY GRANTED UNDER THIS AGREEMENT. PUNCHH SHALL USE COMMERCIALY REASONABLE EFFORTS: (I) TO MAINTAIN THE AVAILABILITY OF THE SERVICE, SUBJECT TO DOWNTIME BY REASON OF FORCE MAJEURE OR FOR THE PURPOSE OF PERFORMING MAINTENANCE OR IMPLEMENTING UPGRADES OR MODIFICATIONS (SEE EXHIBIT A SERVICE LEVEL AGREEMENT FOR FULL DESCRIPTION OF AVAILABILITY OF THE SERVICE); AND (II) TO RESPOND WITHIN A REASONABLE TIME TO CUSTOMER'S REASONABLE REQUESTS FOR SUPPORT OR CUSTOMER'S IDENTIFICATION OF ANY MATERIAL ERRORS OR DEFECTS IN THE SERVICE.

**2.1 PROFESSIONAL SERVICES.** CUSTOMER MAY ELECT TO PURCHASE PROFESSIONAL SERVICES FROM PUNCHH. THE PROVISION OF SUCH PROFESSIONAL SERVICES WILL BE SUBJECT TO ADDITIONAL FEES AND WILL BE GOVERNED BY TERMS AND CONDITIONS AGREED TO UNDER A SEPARATE SOW, WHICH WILL REFER TO AND BE INCLUDED AS PART OF THIS AGREEMENT.

**3. PURPOSE AND PRIMARY ACTIVITIES.**

**3.1 Punchh Endorsement.** Customer shall endorse Punchh as the preferred provider of the Customer's loyalty program in the United States and Canada and permit Punchh to participate in approved marketing activities to promote the Services to its franchise system.

**3.2 Franchisees and this Agreement.** Punchh will bill Customer at a system-wide level and not at a franchisee level, for all Participating Locations that participate in Customer's National Marketing program. However, Punchh will enter into applicable Participation Agreements with participating franchisee locations that participate in Customer's National Marketing program whereby the Participating Location shall be responsible for compliance with the applicable provision under the terms and conditions set forth therein. For clarity, except for Customer-owned locations, Customer is not liable or responsible for any actions by Participating Locations, but only for directly billing such Participating Locations that participate in Customer's National Marketing program and remitting the undisputed fees to Punchh. Punchh agrees to take all commercially reasonable efforts to provide complete invoices to Customer at the time payment is due, and may not be able to seek recovery for unbilled fees that Punchh, due to Punchh's own fault, failed to bill in a timely manner (as set forth in each Order). Punchh will bill Participating Locations that do not participate in Customer's National Marketing program directly. Punchh will enter into applicable Participation Agreements with (a) Participating Locations that do not participate in Customer's National Marketing program (a schedule of which will be updated from time to time in writing by Customer and provided to Punchh), which require payment directly to Punchh, in addition to compliance with the applicable provision under the terms and conditions set forth therein, and (b) Franchisees that are Participating in the National Marketing program but to ensure contractual privity between Customer's Franchisees and Punchh in the event of a Franchisee's breach of this Agreement. For clarity, Customer is not liable or responsible for any actions by the Participating Locations that do not participate in Customer's National Marketing program, including but not limited to such Participating Location's failure to pay Punchh for the Services. Customer will provide Punchh with an updated list of stores that do not participate in Customer's National Marketing program on an annual basis, and Punchh will bill those stores directly as of the beginning of the next calendar year. In the event that the number of Participating Locations that are Non-National Marketing program participants increases by more than 25% year-over-year, Punchh reserves the right, in its sole discretion, to charge reasonable administrative fees to manage the direct billing obligations of Punchh that may be passed through to the Participating Locations utilizing the services.

#### **4. PLATFORM.**

**4.1 Access.** All access to the Platform by Customer will be as specified in the Order(s) and SOW(s). All access to the Platform is solely for Customer's own Internal business purposes, in accordance with the Terms and Conditions and Documentation.

**4.2 Accounts.** Customer may establish accounts for Authorized Users (each, an "Account"). Each Account may be used only by the Authorized Users for whom the Account is created. Customer remains responsible for the security of the username and password for each Account and for all use of the Services through each Account. Customer will notify Punchh immediately of any unauthorized uses of any Account or any other breaches of security.

**4.3 Restrictions.** Punchh Technology, as well as the Punchh Analytics (as defined below), constitute valuable trade secrets of Punchh. Customer will not, and will not permit any third party to: (1) access or attempt to access the Punchh Technology or Punchh Analytics, except as expressly provided in this Agreement; (2) use the Punchh Technology or Punchh Analytics in any unlawful manner or take any action that could damage, disable, overburden or impair the Punchh Technology; (3) use automated scripts to collect information from or otherwise interact with the Punchh Technology or Punchh Analytics; (4) alter, modify, reproduce, create derivative works of the Punchh Technology or Punchh Analytics; (5) distribute, sell, resell, lend, loan, lease, license, sublicense or transfer any of rights to access or use the Punchh Technology or Punchh Analytics or otherwise make the Punchh Technology or Punchh Analytics available to any third party; (6) reverse engineer, disassemble, decompile, or otherwise attempt to derive the method of operation of the

Punchh Technology or the methods through which the Punchh Analytics is provided; (7) attempt to circumvent or overcome any technological protection measures intended to restrict access to any portion of the Punchh Technology or Punchh Analytics; (8) interfere with the operation or hosting of the Punchh Technology or Punchh Analytics; (9) alter, obscure or remove any copyright notice, copyright management information or proprietary legend contained in or on the Punchh Technology or Punchh Analytics; or (10) use or access the Punchh Technology or Punchh Analytics for any prohibited end uses under Applicable Laws.

## **5. LICENSES.**

**5.1 Customer Content.** Except as set forth in Section 5.2 hereunder, Customer grants to Punchh a non-exclusive, non-transferable, royalty-free, worldwide license(including authorization to issue the App on the applicable app stores in order to perform the Services, but without the right to sublicense), to reproduce, digitize, adapt, modify, transmit, distribute, perform, publicly display, create derivative works of, and otherwise use all information, data, text, visuals, graphics, artwork, animation, video content, and other content or materials identified or made available by Customer or its Authorized Users for use in connection solely with Punchh performing the Services or Professional Services ("**Customer Content**").

**5.2 Customer Marks.** During the Term, Customer grants to Punchh a non-exclusive, non-transferable, royalty-free, worldwide license to use the trademarks, service marks, fonts, logos and trade names of Customer specified in writing by Customer ("**Customer Marks**") in connection with performing the Services under this Agreement. All use of the Customer Marks will be in accordance with this Agreement and any additional trademark guidelines provided by Customer. Punchh will reasonably cooperate with Customer in facilitating the monitoring and control of the nature and quality of the use of the Customer Marks. All goodwill associated with the Customer Marks and any use thereof by Punchh will inure to the benefit of Customer. The parties agree to issue a mutually agreed upon press release within thirty (30) days following the execution of this Agreement.

**6. THIRD-PARTY AGREEMENTS.** PUNCHH MAY RELY ON THIRD-PARTY PROVIDERS TO PROVIDE CERTAIN SERVICES. ALL SUCH SERVICES ARE PROVIDED UNDER THE TERMS OF THIS AGREEMENT UNLESS PUNCHH PROVIDES THE CUSTOMER WITH A SEPARATE AGREEMENT APPLICABLE TO SUCH SERVICES (A "**THIRD PARTY AGREEMENT**"). THE TERMS OF ANY APPLICABLE THIRD-PARTY AGREEMENT WILL APPLY TO THE SERVICES COVERED BY THAT THIRD-PARTY AGREEMENT INDEPENDENT OF THE TERMS OF THIS AGREEMENT. THE CUSTOMER WILL BE SOLELY LIABLE TO ANY THIRD-PARTY PROVIDER PARTY FOR ANY THIRD-PARTY AGREEMENT THAT CUSTOMER OR ITS AUTHORIZED USERS BREACH. PURSUANT TO SCHEDULE B, PUNCHH REMAINS LIABLE FOR ANY ACTIONS OF ITS SUBCONTRACTORS, AND FOR FURTHER CLARITY, CUSTOMER SHALL NOT BE LIABLE TO FOR ANY PUNCHH-AUTHORIZED THIRD-PARTY PROVIDER UTILIZED BY PUNCHH IN PERFORMING THE SERVICES OR PROFESSIONAL SERVICES WHICH CUSTOMER HAS NOT ENTERED INTO A THIRD PARTY AGREEMENT WITH.

## **7. FEES AND PAYMENT.**

**7.1 Fees.** Customer, or Customer's Franchisee(s) as applicable, shall pay Punchh the applicable Fees for the Services specified in each Order. If Customer elects to add features to an Order, additional fees may apply. Any discounts applied to an Order are specific to such Order.

**7.2 Payment.** All Fees specified in each Order are due and payable upon signing of such Order unless otherwise specified in such Order. The Customer agrees to pay the fees via ACH direct debit in accordance with the terms set out in the applicable Order and will occur upon Customer's receipt of the invoice ("**Payment Period**"), unless otherwise specified on such invoice. Customer will notify Punchh of any disputes in writing within sixty (60) days after the due date of such invoice and provide reasonable detail of the basis for such dispute within the Payment Period. Punchh may not backbill or make similar billing adjustments for Services that it failed, due to Punchh's oversight more than sixty (60) days after issuing the invoice in which such amounts should have been included. Delinquent payments for undisputed Fees on invoices that require no further revision, and that remain past due are subject, in Punchh's sole discretion, to late payment fees of 1.5% of the overdue balance per month (or the maximum amount permitted by law, whichever is lower) starting sixty (60) days after a payment's due date. All Fees paid are irrevocable and non-refundable, except as provided herein.

If Customer's account is past due sixty (60) days or more after Customer receives notice thereof (except with respect to, and only applicable to the disputed amount, Fees for which there is a reasonable and good faith dispute that is being addressed pursuant to this Section 6.2), Punchh may suspend the Services upon written notice (email communication is acceptable) without liability until such amounts are paid in full, in addition to all of its other rights or remedies available under the Agreement, at law or in equity.

**7.3 Taxes.** Fees are exclusive of all taxes, levies, tariffs, and duties imposed by taxing authorities, and Customer is responsible for all such taxes, including sales, uses, excise, import, export or any similar tax or fee to comply with any applicable government imposed environmental regulations, excluding withholding or taxes based solely on Punchh's income.

## **8. OWNERSHIP.**

**8.1 Customer Content.** Punchh acknowledges that Customer or its licensors will remain the sole owners of all Customer Content and all Intellectual Property Rights therein. Punchh will not acquire any rights in the Customer Content by virtue of this Agreement, except as set forth in this Agreement or an applicable Order or under this Agreement.

**8.2 Customer Marks.** Punchh acknowledges that Customer or its licensors will remain the sole owners of all Customer Marks and all Intellectual Property Rights therein. Punchh will not acquire any rights in the Customer Marks by virtue of this Agreement, except as may be expressly set forth in an Order or under this Agreement.

**8.3 Punchh Technology.** Customer acknowledges that Punchh or its licensors will remain the sole owners of all Punchh Technology, Punchh Analytics and all Intellectual Property Rights therein. Punchh does not provide customer with any license to any of the Punchh Technology, Punchh Analytics or any Intellectual Property Rights therein, except for the limited rights provided under this Agreement. Customer will not acquire any rights in or to the Punchh Technology or Punchh Analytics by virtue of this Agreement or otherwise.

## **9. DATA.**

**9.1 Personal Data.** Customer may provide to Punchh, or Punchh may collect, certain Personal Data from Data Subjects in the course of Punchh providing Services or Professional Services to Customer, including Personal Data from Data Subjects who participate in the Promotional Programs. For any Personal Data provided to or collected by Punchh on Customer's behalf, Punchh comply with the Data Processing Agreement ("DPA") attached as Exhibit B. Customer remains responsible for any errors or omissions in Personal Data. As between Punchh and Customer, all Personal Data will be owned by Customer. Subject to the foregoing and as permitted by Applicable Laws and Exhibit B, Customer will obtain for Punchh the right to use the Personal Data as permitted in this Agreement and as necessary for the Services. Punchh will not otherwise use or share any Consumer Data other than as expressly permitted herein and in the Privacy Policy.

**9.2 Non-personally Identifiable Data.** To the extent permitted under Applicable Laws, Punchh may collect and use Deidentified Data (as defined in the DPA) regarding Data Subjects for any lawful business purpose.

**9.3 Punchh Analytics.** Punchh will provide and make available to Customer certain data, analytics or information through the Platform and Services ("**Punchh Analytics**"). All Punchh Analytics are provided and made available subject to the terms of this Agreement. As between Punchh and Customer, all Punchh Analytics (to the extent such Punchh Analytics do not include Customer Data) will be owned by Punchh. During the Term of this Agreement and subject to the provisions thereof, Punchh grants Customer and Authorized Users the right to access the Punchh Analytics on the Platform and use those Punchh Analytics solely for Customer's own internal business purposes in connection with the Promotional Programs with which the Punchh Analytics is provided. Customer is not granted any other rights in the Punchh Analytics and will not otherwise use or share any Punchh Analytics other than as expressly permitted herein.

**9.4 Privacy Policy.** If Punchh is collecting Personal Data directly from Data Subjects on Customer's behalf, Customer must provide Punchh a privacy policy that Punchh can provide to the Data Subject at or before the point of collection (the "**Privacy Policy**"). Customer represents and warrants that the Privacy Policy will comply with all Applicable Law and sufficiently describes Punchh's processing of Personal Data herein and as



otherwise required for the Services.

**10. CONFIDENTIAL INFORMATION.** EACH PARTY (EACH, A “RECEIVING PARTY”) SHALL RETAIN IN CONFIDENCE THE TERMS OF THIS AGREEMENT AND ALL NON-PUBLIC INFORMATION AND KNOW-HOW OF THE OTHER PARTY (THE “DISCLOSING PARTY”) DISCLOSED TO OR ACQUIRED BY THE RECEIVING PARTY IN CONNECTION WITH THIS AGREEMENT WHICH IS EITHER DESIGNATED AS CONFIDENTIAL OR PROPRIETARY OR WHICH SHOULD REASONABLY BE CONSIDERED CONFIDENTIAL OR PROPRIETARY GIVEN THE NATURE OF THE INFORMATION AND THE CIRCUMSTANCE OF DISCLOSURE, INCLUDING WITHOUT LIMITATION, PRICING AND COST INFORMATION, BUSINESS PLANS AND SALES INFORMATION (“CONFIDENTIAL INFORMATION”). WITHOUT LIMITING THE FOREGOING, THE PUNCHH TECHNOLOGY, DOCUMENTATION, PLATFORM AND PUNCHH ANALYTICS SHALL BE CONSIDERED THE CONFIDENTIAL INFORMATION OF PUNCHH AND THIS AGREEMENT SHALL BE CONSIDERED THE CONFIDENTIAL INFORMATION OF EACH PARTY. THE RECEIVING PARTY MAY DISCLOSE THE CONFIDENTIAL INFORMATION OF THE DISCLOSING PARTY ONLY TO THOSE OF ITS AFFILIATES, EMPLOYEES AND CONTRACTORS WHO HAVE A NEED TO KNOW SUCH INFORMATION FOR PURPOSES OF PERFORMING THEIR OBLIGATIONS RELATED TO THE SERVICES OR PROFESSIONAL SERVICES OF THIS AGREEMENT AND WHO ARE LEGALLY BOUND (BY AGREEMENT OR OPERATION OF LAW) BY AN OBLIGATION TO MAINTAIN THE CONFIDENTIAL NATURE OF SUCH CONFIDENTIAL INFORMATION AT LEAST AS PROTECTIVE AS THE TERMS OF THIS AGREEMENT (COLLECTIVELY, THE “OTHER THIRD PARTIES” UNDER THIS SECTION 9). THE RECEIVING PARTY FURTHER AGREES TO HOLD, AND TO CAUSE ITS AFFILIATES, EMPLOYEES AND CONTRACTORS TO HOLD, ALL SUCH CONFIDENTIAL INFORMATION OF THE DISCLOSING PARTY IN STRICT CONFIDENCE, AND TO PROTECT THE CONFIDENTIAL INFORMATION OF THE DISCLOSING PARTY FROM UNAUTHORIZED DISCLOSURE USING PRECAUTIONS AT LEAST AS PROTECTIVE AS THOSE TAKEN TO PROTECT THE RECEIVING PARTY’S OWN CONFIDENTIAL INFORMATION OF A SIMILAR NATURE BUT IN NO CASE LESS THAN REASONABLE PRECAUTIONS. NOTWITHSTANDING THE FOREGOING, CONFIDENTIAL INFORMATION SHALL NOT INCLUDE ANY INFORMATION THAT: (I) WAS KNOWN BY THE RECEIVING PARTY PRIOR TO DISCLOSURE THEREOF BY THE DISCLOSING PARTY; (II) BECOMES GENERALLY KNOWN TO THE PUBLIC THROUGH NO FAULT OF THE RECEIVING PARTY AND NOT IN VIOLATION OF THIS AGREEMENT; (III) IS DISCLOSED TO THE RECEIVING PARTY BY A THIRD PARTY LEGALLY ENTITLED TO MAKE SUCH DISCLOSURE WITHOUT VIOLATION OF ANY OBLIGATION OF CONFIDENTIALITY; OR (IV) IS INDEPENDENTLY DEVELOPED BY THE RECEIVING PARTY WITHOUT REFERENCE TO ANY CONFIDENTIAL INFORMATION OF THE DISCLOSING PARTY. THE RECEIVING PARTY IS ENTITLED TO DISCLOSE CONFIDENTIAL INFORMATION AS COMPELLED TO DO SO BY COURT ORDER, SUBPOENA, OR SIMILAR INSTRUMENT LEGALLY COMPELLING DISCLOSURE OR AS OTHERWISE REQUIRED BY APPLICABLE LAWS, PROVIDED THAT THE RECEIVING PARTY SHALL (TO THE EXTENT LEGALLY PERMITTED) PROVIDE PROMPT WRITTEN NOTICE OF SUCH REQUIRED DISCLOSURE TO THE DISCLOSING PARTY AND ALLOW THE DISCLOSING PARTY THE OPPORTUNITY TO SEEK A PROTECTIVE ORDER. NOTWITHSTANDING ANYTHING TO THE CONTRARY, CUSTOMER MAY DISCLOSE PUNCHH’S CONFIDENTIAL INFORMATION TO ITS FRANCHISEES OR OTHER THIRD PARTIES; (I) AS NECESSARY IN USING THE SERVICES AND PROFESSIONAL SERVICES IN CONJUNCTION WITH CUSTOMER’S INTEGRATED TECHNOLOGY PLATFORM; AND (II) AS NECESSARY IN PROMOTING AND/OR INFORMING CUSTOMER’S FRANCHISEES OF CUSTOMER’S INTEGRATED TECHNOLOGY. CUSTOMER WILL NOT BE LIABLE OR RESPONSIBLE IN ANY MANNER FOR THE FRANCHISEES’ OR OTHER THIRD PARTIES’ FAILURE TO KEEP SUCH INFORMATION CONFIDENTIAL IN CONJUNCTION WITH THE PRECEDING SENTENCES DISCLOSURE ALLOWANCES.

**11. TERM AND TERMINATION.**

**11.1 Term.** The term of this Agreement (“Term”), shall begin on the MSA Effective Date and shall remain in effect for thirty six (36) months, or for so long as any Order(s) remain in effect unless earlier terminated in accordance with the provisions of this Section 11 (the “Initial Term”), and unless otherwise stated in the Order Form, shall automatically renew for 12 months. In addition, immediately following the eleventh (11<sup>th</sup>) month from the MSA Effective Date and once every 12 months thereafter, and only for a period of thirty (30) days in each instance (the “Termination Period”), Customer shall have a limited option to terminate this Agreement (and any associated Order) for any reason by providing written notice to Punchh of its intent to terminate, to be effective sixty (60) days from the date of such notice (the “Termination Notice”). If Punchh does not receive a Termination Notice by the conclusion of the applicable Termination Period during

the applicable year of the Term, then such ability to terminate for convenience shall expire and the Term shall continue in full force and effect until the next Termination Period. Unless otherwise specified in the Order, the term of the Initial Order shall commence on its effective date, and any other Order will be as set forth in the Order.

**11.2 Early Termination.** Either party may terminate this Agreement in writing upon 30 days' prior notice to the other party if the other party is in material breach of any of its obligations under this Agreement and such party fails to remedy the breach within such 30-day period.

**11.3 Effect of Termination or Expiration.** Any termination or expiration of this Agreement will terminate all Orders and Participation Agreements. Upon any termination or expiration of the Agreement: (a) all undisputed Fees for Services or Professional Services performed through the date of termination or expiration, which have not yet been previously paid, will become immediately due and payable; (b) upon early termination by Punchh or Customer, for reasons other than Customer's breach, Punchh will refund Customer or its Franchisee(s) as applicable for any Platform Fees (as defined in the applicable Order Form) or Professional Services which have been prepaid but unused on a pro-rata basis based on the date of the termination of the applicable Services or Professional Services; (c) all rights and licenses granted to Customer and its Authorized Users hereunder will end; (d) Punchh may cease providing Services; (e) Customer will cease all access to and use of the Platform and Services; (f) each party will return to the other party or destroy (at the other party's option) all Confidential Information and other property of the other party in such party's possession or control; (g) all final reports are to be promptly provided to Customer.

**11.4 Survival.** Sections 4.3, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16 and 18 shall survive any expiration or termination of this Agreement.

**11.5 Transition Assistance.** In connection with the expiration or termination of this Agreement or any Order hereunder for any reason, and notwithstanding any dispute between the Parties, Punchh will provide to Customer and Participating Locations transition assistance services for the Transition Assistance Period (as defined herein) or as otherwise agreed upon in writing between the Parties as follows:

**11.5.i. Applicable Requirements and Access.** Punchh will provide to Customer any applicable requirements, training material, and other documentation relating to the Punchh Platform and Services as is generally available to other Punchh customers under this Agreement and the Punchh Platform, subject to Customer's confidentiality obligations herein (and if provided to any third party subject to an applicable confidentiality agreement), and answer all reasonable and pertinent verbal or written questions from Customer regarding the Punchh Platform and the Services on an "as needed" basis.

**11.5.ii. Development of Transition Assistance Plan.** If requested by Customer, Punchh will assist Customer and/or a third-party service provider designated by Customer in developing a transition assistance plan, methodology and timeline.

**11.5.iii. Comparable Prices.** Punchh will provide the Services during the Transition Assistance Period at prices no worse to Customer (and Participating Locations) than those for comparable Services prior to termination, or if comparable Services were not performed for Customer (or Participating Locations) prior to termination or expiration, then at prices no worse than the fair market value for such services.

**11.5.iv. Transition Assistance Services.** At Customer's request, Punchh will provide additional Professional Services during the Transition Assistance Period, which services and the cost, if any, shall be mutually agreed upon by the Parties in a SOW. Such additional Professional Services provided in conjunction with the Transition Assistance Services may be paid directly by Customer or by each Participating Location (as mutually agreed).

11.5.v. Absolute Obligation. Punchh agrees that it has an absolute and unconditional obligation to provide Customer (and Participating Locations) with Transition Assistance Services, and unless part of the mutually agreed upon Transition Assistance Plan, both Parties agree to continue to adhere to all requirements of this Agreement.

## **12. REPRESENTATIONS AND WARRANTIES.**

**12.1** By Both Parties. Both Parties represent and warrant that by entering into this Agreement, it does not violate the terms of any other material agreement by which such Party is bound.

**12.2 Customer.** Customer further represents and warrants that: (i) it has the necessary rights to grant Punchh the rights and licenses granted hereunder; (ii) Customer has the right and authority to enter into and be bound by this Agreement; (iii) the Customer Content and Customer Marks, and the use thereof by Punchh as contemplated and authorized in this Agreement, do not and will not cause the infringement of Intellectual Property Rights of any third party; (iii) the Customer Content, and the use thereof as contemplated and authorized in this Agreement, does not and will not violate the publicity or privacy right of any third party, or defame any third party; and (iv) all Promotional Programs are in compliance with all Applicable Laws, and Customers has obtained any and all required consents and permissions that are necessary for Punchh to perform its obligations hereunder or for the collection or use of any Personal Data.

**12.3 Punchh.** Punchh further represents and warrants that: (i) the Platform, and the use thereof by Customer and its Authorized Users as contemplated and authorized in this Agreement, does not infringe upon the Intellectual Property Rights of any third party; (ii) Punchh has the right and authority to enter into and be bound by this Agreement; (iii) the Professional Services will be performed in a good and workmanlike manner; (iv) the Services and Professional Services will comply with all Applicable Laws; (v) no malicious or detrimental content will be included in the Services; and (vi) the Services and Professional Services will substantially conform in all material respects to any Documentation provided with the Services or Professional Services, this Agreement, or the applicable Orders. Punchh will have no obligation or other liability with regard to any non-compliance with the Documentation or these representations and warranties that is caused by Customer's or its Authorized User's actions or inactions, including any negligence or the misuse or improper use of the Platform or any Promotional Programs by or on behalf of Customer.

**13. DISCLAIMER.** THE REPRESENTATIONS AND WARRANTIES SET FORTH IN THIS AGREEMENT ARE THE SOLE AND EXCLUSIVE REPRESENTATIONS AND WARRANTIES MADE BY THE PARTIES. EACH PARTY EXPRESSLY DISCLAIMS, TO THE FULLEST EXTENT PERMITTED BY LAW, ALL OTHER REPRESENTATIONS AND WARRANTIES, WHETHER EXPRESS, IMPLIED OR STATUTORY, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT, AND TITLE. THE PARTIES AGREE THAT PUNCHH IS NOT INVOLVED IN SELECTING CUSTOMER CONTENT OR THE ELEMENTS OF THE PROMOTIONAL PROGRAMS AND DISCLAIMS ANY AND ALL LIABILITY RELATING THERETO.

**14. INDEMNIFICATION.** EACH PARTY (AN "INDEMNITOR") WILL INDEMNIFY, DEFEND AND HOLD HARMLESS THE OTHER PARTY, ITS AFFILIATES, AND EACH OF THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES, AND AGENTS (TOGETHER, AN "INDEMNITEE") FROM AND AGAINST ANY DAMAGES, LOSSES, FINES, PENALTIES, COSTS, EXPENSES, LIABILITIES, AND OTHER AMOUNTS (INCLUDING REASONABLE ATTORNEYS' FEES AND COSTS) (COLLECTIVELY, "CLAIMS") INCURRED OR SUFFERED BY THE INDEMNITEE IN CONNECTION WITH OR OTHERWISE RELATING TO ANY THIRD PARTY CLAIM OR ARISING OUT OF (I) ITS GROSSLY NEGLIGENT ACTS OR OMISSIONS, OR WILLFUL MISCONDUCT IN PERFORMING UNDER THIS AGREEMENT; OR (II) ALLEGATIONS THAT ANY OF PUNCHH'S PLATFORM OR SERVICES OR DOCUMENTATION INFRINGES ANY INTELLECTUAL PROPERTY RIGHT OF A THIRD PARTY IN THE TERRITORY AS FURTHER SUBJECT TO SECTIONS 14.1 AND 14.1.I BELOW; OR (III) ANY INDEMNIFICATION OBLIGATION OF A SUBCONTRACTOR; OR (IV) A DATA BREACH CAUSED BY PUNCHH; OR (V) BREACH OF APPLICABLE LAW. EACH PARTY AGREES TO: (I) PROVIDE THE INDEMNITOR WITH PROMPT NOTICE OF ANY CLAIM FOR INDEMNIFICATION UNDER THIS SECTION; (II) GRANT THE INDEMNITOR CONTROL OVER THE DEFENSE OR SETTLEMENT OF ANY SUCH CLAIM (PROVIDED THAT THE INDEMNITOR MAY NOT AGREE TO ANY SETTLEMENT OTHER THAN MONETARY DAMAGES); AND (III)

COOPERATE FULLY WITH THE INDEMNITOR, AT THE REASONABLE EXPENSE OF THE INDEMNITOR, IN THE DEFENSE OR SETTLEMENT OF ANY SUCH CLAIM.

**14.1 INFRINGEMENT.** Punchh shall indemnify, defend, and hold harmless Customer, its affiliates and franchisees, and each of their respective officers, directors, employees, and agents (together, a "Customer Indemnitee") from and against any actions, liabilities, damages, obligations, costs and expenses (including reasonable attorneys' fees and costs) incurred or suffered by a Customer Indemnitee arising out of, related to, or in connection with any Claim by a third-party that the Punchh Platform or any of the Punchh Services and Documentation contemplated under this Agreement infringes or misappropriates such third-party's U.S. or Canadian patent claim, copyright, or trade secret ("Infringement Claim").

**14.1.i.** If the Punchh Platform or Punchh Services, or Documentation (each, an "Infringing Item") is or may become the subject of a claim under Section 14.1 above, Punchh may, at its option, and at no additional cost to Customer, (i) modify or replace the affected parts so the Infringing Item becomes non-infringing, (ii) obtain a license for Customer's continued use so the Infringing Item is no longer infringing, or (iii) terminate this Agreement and refund Customer for any prepaid and unused recurring fees and pay reasonable transition, implementation, and replacement costs incurred by Customer (prorated to consider the remainder of the Term length). Punchh shall have no obligation with respect to any such Claim to the extent caused by (a) Customer's combination of software or hardware from third-parties not provided by Punchh (or not expressly approved in writing by Punchh) that are not intended for or reasonably contemplated to be used by the Customer or with the Customer's environment or application and that combination results in a Claim, or (b) Customer's use of a prior version of the Punchh Services or Documentation if the Claim would have been avoided had such prior version not been used by Customer, subject to and contingent upon, Punchh providing to Customer at least sixty (60) days prior written notice (of as much advance notice as is feasible given the nature of the Claim) of (1) the potential infringement Claim and (2) an updated, implementation-ready version of the Punchh Services or Documentation, at no additional cost to Customer. Section 14.1 and subsection 14.1.i states the entire liability of Punchh, and Customer's sole and exclusive remedy, for any infringement involving the Punchh Platform, the Punchh Services or the Documentation.

**15. LIMITATION OF LIABILITY.** SUBJECT TO A CLAIM FOR INFRINGEMENT AS SET FORTH IN SECTION 14.1, EXCEPT FOR DAMAGES AS A RESULT OF EITHER PARTY'S BREACH OF ITS CONFIDENTIALITY OBLIGATIONS UNDER SECTION 9 HEREIN, OR DUE TO THE FRAUD, WILLFUL MISCONDUCT OR GROSS NEGLIGENCE OF A PARTY (OR THAT CANNOT OTHERWISE BE LIMITED BY APPLICABLE LAW), IN NO EVENT WILL EITHER PARTY BE LIABLE TO THE OTHER PARTY FOR (A) ANY LOST PROFITS OR CONSEQUENTIAL, INDIRECT, PUNITIVE, EXEMPLARY, SPECIAL, OR INCIDENTAL DAMAGES ARISING FROM OR RELATING TO THIS AGREEMENT, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE, EVEN IF ONE OR BOTH PARTIES KNEW OR SHOULD HAVE KNOWN OF THE POSSIBILITY OF SUCH DAMAGES; AND (B) EACH PARTY'S TOTAL CUMULATIVE LIABILITY ARISING FROM OR RELATING TO THIS AGREEMENT WILL NOT EXCEED THE AMOUNT OF PAYMENTS ACTUALLY MADE BY CUSTOMER TO PUNCHH UNDER THIS AGREEMENT DURING THE 18 MONTH PERIOD PRECEDING THE TRANSACTION OR EVENT GIVING RISE TO THE CLAIM.

**15.1 MAXIMUM CAP FOR DATA BREACH CLAIMS.** FOR FIRST OR THIRD PARTY CLAIMS ARISING OUT OF A DATA BREACH (AS DEFINED IN THE DPA) CAUSED BY PUNCHH, PUNCHH'S TOTAL CUMULATIVE LIABILITY UNDER THIS AGREEMENT (INCLUDING ALL DIRECT, CONSEQUENTIAL, OR INDIRECT DAMAGES WHATSOEVER) SHALL NOT EXCEED TWENTY MILLION DOLLARS (\$20,000,000).

**16. CONSUMER COMMUNICATIONS.** FOR INDIVIDUALS PARTICIPATING IN CUSTOMER'S PROMOTIONAL PROGRAMS, CUSTOMER MAY SEND SUCH INDIVIDUALS EMAILS, SMS MESSAGES, PHONE CALLS (WHETHER BY AUTOMATED MEANS OR OTHERWISE), AND OTHER TYPES OF COMMUNICATIONS FOR MARKETING AND OTHER COMMERCIAL PURPOSES (COLLECTIVELY, "**CONSUMER COMMUNICATIONS**") THROUGH THE PLATFORM OR BY OTHERWISE INSTRUCTING PUNCHH. CUSTOMER REPRESENTS, WARRANTS AND COVENANTS THAT IT WILL BE

SOLELY RESPONSIBLE AND LIABLE FOR (I) THE CONTENT OF CONSUMER COMMUNICATIONS, INCLUDING ANY CUSTOMER CONTENT THEREIN, AND (II) OBTAINING ALL CONSENTS REQUIRED BY THE TELEPHONE CONSUMER PROTECTION ACT OF 1991 (47 U.S.C. § 227) AND ANY OTHER APPLICABLE LAWS TO SEND, TRANSMIT OR OTHERWISE DISTRIBUTE ANY CONSUMER COMMUNICATIONS TO INDIVIDUALS (COLLECTIVELY, "**CONSUMER COMMUNICATIONS CONTENT AND CONSENTS**"). REGARDLESS OF ANY CURRENT OR PRIOR ASSISTANCE THAT PUNCHH PROVIDED TO CUSTOMER REGARDING CONSUMER COMMUNICATIONS CONTENT AND CONSENTS, INCLUDING ANY ASSISTANCE RELATED TO ANY "OPT-IN" OR "OPT-OUT" CONSENT MECHANISMS, PUNCHH WILL NOT BE RESPONSIBLE OR LIABLE FOR, AND CUSTOMER AGREES TO INDEMNIFY, DEFEND AND HOLD HARMLESS PUNCHH AND ITS RELATED INDEMNITEES FROM AND AGAINST ANY CLAIMS INCURRED OR SUFFERED BY PUNCHH AND ITS RELATED INDEMNITEES IN CONNECTION WITH, CONSUMER COMMUNICATIONS CONTENT AND CONSENTS.

17. **Insurance.** Punchh must obtain and maintain in effect the insurance coverage specified below, at Punchh's expense. The insurance policies must be placed with an insurance company with an A.M. Best's rating of A VIII or higher. Punchh will provide proof of insurance satisfactory to Customer within 30 days of execution of this Agreement, and at any time during the term of the Agreement at Customer's request. The policies may not be cancelled or non-renewed without 30 days prior written notice to Customer. The general liability and umbrella policies must name Customer, its Affiliates, and Franchisees as additional insured parties with the Additional Insured Vendor Endorsement. The amounts and types of insurance below are the minimum required by Customer and Punchh may obtain insurance with greater limits or broader coverage as Punchh considers appropriate based on a comprehensive risk analysis reviewed at least annually or on substantial business change.
- a. **Commercial General Liability.** On an occurrence form containing limits of at least \$5,000,000 per occurrence/\$5,000,000 general aggregate, protecting against property damage, bodily injury and personal injury claims arising from the exposures of premises or ongoing operations, independent contractors, and contractual liability.
  - b. **Business Automobile Liability.** With a combined single limit of \$1,000,000 insuring against bodily injury and/or property damage arising out of the operation, maintenance, use, loading or unloading of any auto including owned, non-owned, and hired autos.
  - c. **Workers' Compensation and Employer's Liability.** With limits of not less than \$500,000/\$500,000/\$500,000 and providing statutory benefits imposed by applicable Law such Customer will have no liability to Punchh, its employees or Punchh's agents, and Punchh will satisfy all Workers' compensation obligations imposed by Applicable Law.
  - d. **Cyber Liability/Supplier Liability (Errors and Omissions) Insurance.** On a claims-made form with a limit of \$40,000,000 in the aggregate including coverage for losses arising out of failure of security, unauthorized disclosure of private information, failure to protect private information from misappropriation, damage/loss/theft of or to data, degradation and downtime. Punchh agrees to increase its Cyber Liability/Supplier Liability (Errors and Omissions) Insurance during the Term of the Agreement as the number of Participating Locations purchasing the Services increases as follows:
    - a. 3,000 Participating Locations = \$50,000,000 in the aggregate
    - b. 5,000 Participating Locations = \$60,000,000 in the aggregate

18. **GENERAL.**

*Confidential Information*

**18.1 Assignment.** Neither party may assign or transfer this Agreement without the other party's express written consent, and any such consent may not be unreasonably withheld, conditioned or delayed. Any attempt to assign or transfer this Agreement without such consent will be null and of no effect. Subject to the foregoing, this Agreement will bind and inure to the benefit of each party's permitted successors and assigns.

**18.2 Governing Law and Jurisdiction.** This Agreement will be governed by and construed in accordance with the laws of Delaware, excluding conflict of law principles. Any legal action or proceeding arising under this Agreement will be brought exclusively in the federal or state courts located in the State of Delaware, and the parties hereby irrevocably consent to personal jurisdiction and venue therein.

**18.3 Severability.** If a court of competent jurisdiction finds any provision of this Agreement invalid or unenforceable, that provision of the Agreement will be enforced to the maximum extent permissible and the other provisions of this Agreement will remain in full force and effect.

**18.4 Waiver.** The failure by either party to enforce any provision of this Agreement will not constitute a waiver of future enforcement of that or any other provision.

**18.5 Order of Precedence.** In the event of a conflict between this Agreement and the terms of an Order, this Agreement will control over the subject matter of such conflict.

**18.6 Data Security Audit and Reporting.** At least once per year, Punchh shall conduct site audits of the information technology and information security controls for all facilities used in providing the Services under this Agreement, including obtaining a network-level vulnerability assessment performed by a recognized third-party audit firm based on recognized industry best practices. Upon Customer's request, Punchh shall make available to Customer for review all of the following, as applicable: Punchh's latest current attestation of compliance signed by a Payment Card Industry (PCI) Qualified Security Assessor, and Statement on Standards for Attestation Engagements (SSAE) No. 18 SOC 1, Type II and SOC 2, Type II audit reports for Reporting on Controls at any service organization. Customer shall treat such audit reports as Punchh's Confidential Information under this Agreement. Any exceptions noted on the SSAE report or other audit reports will be promptly addressed with the development and implementation of a corrective action plan by Punchh's management. Repeated instances of the same exception(s) noted on any successive report that have a material impact to Customer as a result of the failure of the exception to be remedied from the prior report, will be considered a material breach of this Agreement.

**18.7 Compliance Audit.** One time per calendar year, at Customer's request, with not less than 10 days' prior written notice to Punchh, Punchh will allow Customer or its designated representatives to enter upon Punchh's premises to audit applicable invoices, books, and records, related to payments made by Customer or Franchisees for the Services under this Agreement, solely to the extent necessary to verify Punchh's compliance with the terms of this Agreement. Punchh will reasonably cooperate with Customer or its designated representatives in connection with such audit. Upon completion of an audit, Customer and Punchh will review the audit report together and work in good faith to agree upon any adjustment of charges, including any reimbursement of overpayment by Customer or Participating Locations, resulting from the audit. Audits will be conducted during Punchh's normal business hours, and Customer will use commercially reasonable efforts to limit the disruption to Punchh's business operations during any audit. Punchh will pay for Customer's reasonable costs and expenses in conducting the audit, in addition to all costs of remediation, if:

- (a) an error or discrepancy in amounts billed to Participating Locations representing greater than a 5% overcharge is discovered;
- (b) [intentionally deleted].

**18.8 Notices.** All notices required or permitted under this Agreement will be in writing and delivered by confirmed electronic transmission, by courier or overnight delivery services, or by certified mail, and in each instance will be deemed given upon receipt. All communications will be sent to the addresses set forth below or to such other address as may be specified by either party to the other in accordance with this Section.

**18.9 Force Majeure.** Neither Party will be in default for any failure or delay in performing its  
Confidential Information

obligations under this Agreement (other than payment obligations) due to causes beyond its reasonable control, including labor disputes, strikes, lockouts, shortages of or inability to obtain energy, raw materials or supplies, war, terrorism, riot, civil commotion, third party internet service interruptions or slowdowns, vandalism or "hacker" attacks, government demands or acts of God.

**18.10 Relationship of Parties.** The Parties are independent contractors and this Agreement will not establish any relationship of partnership, joint venture, employment, franchise or agency between the parties. Neither Party will have the power to bind the other Party or to incur any obligations on its behalf without the other Party's prior consent.

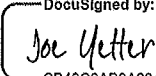
**18.11 Entire Agreement.** This Agreement, including these Terms and Conditions, Statements of Work and each Order hereunder, constitutes the complete and exclusive understanding and agreement between the Parties regarding its subject matter and supersedes all prior or contemporaneous agreements or understandings, written or oral, relating to its subject matter.

*[SIGNATURE PAGE IMMEDIATELY FOLLOWS]*

IN WITNESS WHEREOF, the duly authorized representatives of the parties have executed this Agreement and have rendered it effective as of the MSA Effective Date.

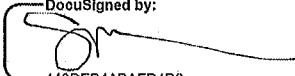
**For Punchh:**

Punchh Inc.  
Delaware corporation  
8383 Seneca Turnpike  
New Hartford, New York 13413

DocuSigned by:  
  
Signature: \_\_\_\_\_  
Name: Joe Yetter  
Title: General Manager - Punchh  
Date: 2/17/2024

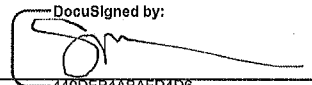
**For Customer:**

American Dairy Queen Corp.  
Delaware Corporation  
8331 Norman Center Drive, Suite 700  
Bloomington, MN 55437

DocuSigned by:  
  
Signature: \_\_\_\_\_  
Name: Susie Moschkau  
Title: VP of Digital Experience  
Date: 2/16/2024

**For Customer:**

Dairy Queen Canada, Inc.  
Canada Federal Corporation  
1111 International Blvd., Suite 601  
Burlington, ON L7L6W1

DocuSigned by:  
  
Signature: \_\_\_\_\_  
Name: Susie Moschkau  
Title: VP of Digital Experience  
Date: 2/16/2024



## EXHIBIT A – SERVICE LEVEL AGREEMENTS

### 1. Definitions

The following capitalized terms shall be given the meaning set forth below. Capitalized terms not defined below will have the meaning ascribed to them in the Terms.

- 1.1 “API Average Response Time” is the average response time in milliseconds during a calendar month for a named collection of API methods chosen by Punchh for monitoring purposes, as measured by third party performance and monitoring services contracted by PAR Punchh at its sole discretion (the “Monitoring Service”). Response time measurements that occur during conditions arising from the Exclusions defined in this Schedule may be excluded from the calculation of an API Average Response Time.
- 1.2 “Emergency Maintenance” means an unplanned and unavoidable period that is necessary for the purposes of maintaining the integrity or operation of the Services and for which there is not enough time to declare Scheduled Maintenance.
- 1.3 “Monthly Unavailable Percentage” is the percentage of time during a calendar month during which the Services are Unavailable as defined in this Service Level Commitment. This is calculated by dividing the sum of the length of time(s), in minutes, during which the Services were deemed Unavailable by the total number of minutes in the month.
- 1.4 “Monthly Uptime Percentage” is calculated by subtracting from 100% the “Monthly Unavailable Percentage”.
- 1.5 “Platform Fees” means the recurring fees paid for access to the Punchh Services, which excludes Professional Services fees and fees for non-recurring services.
- 1.6 “Scheduled Maintenance” means a period used for the purpose of maintaining or improving the Services, occurring within a standard Punchh maintenance window and announced at least 48 hours in advance, or occurring within any period of time approved in advance by Customer.
- 1.7 “Services” has the same meaning as defined in the Terms for Punchh services.
- 1.8 “Service Level” is a contractual performance metric. The Service Levels are defined in Section 3 of this Schedule.
- 1.9 “SLA Violation” means a failure to meet a defined Service Level.
- 1.10 “Unavailable”. The Punchh Services shall be deemed Unavailable if they are not available for use according to third party performance and monitoring services contracted by Punchh at its sole discretion (the “Monitoring Service”) for any continuous period of 3 minutes or more. In no case shall the Services be deemed Unavailable during or due to any condition arising from the Exclusions defined in this Schedule.
- 1.11 “Warrantable Usage Rate” means a metric defining a rate of use of a specific Punchh service or feature, for example campaign messages sent per hour or mobile API requests per second. The Warrantable Usage Rates in this document may be amended at any time by mutual agreement in writing (email acceptable). Unless otherwise agreed, Warrantable Usage Rates are solely used to define usage that constitutes an Exclusion for purposes of calculating SLAs.

### 2. Exclusions

Notwithstanding anything to the contrary, no SLA Violation shall be deemed to have occurred with respect to any Unavailability, suspension or termination of the Services that:

- (i) Is caused by factors outside of Punchh's reasonable control, including, without limitation, any force majeure event or internet access or related problems beyond the demarcation point of Punchh or its direct hosting subcontractor (AWS);
- (ii) Results from any action or inaction on the part of Customer, including any unpaid amounts due and owing to Punchh for the Punchh Services, or any third party (other than Punchh's subcontractors);
- (iii) Results from Punchh's suspension, limitation, or termination of Customer's right to use the Punchh Services in accordance with the Terms;
- (iv) Occurs during Scheduled Maintenance;
- (v) Occurs during Emergency Maintenance;
- (vi) Results from problems or issues related to alpha, beta, preview, test, or otherwise not generally available features;
- (vii) Occurs in a portion or portions of the Punchh Services that Customer did not use or attempt to use at least once during the measurement period;
- (viii) Results from Punchh taking action to protect its systems and data (e.g., from an attack or other security incident); or
- (ix) Occurs while the Customer is exceeding a Warrantable Usage Rate or results from the Customer having exceeded a Warrantable Usage Rate ((i)-(ix) collectively, the "Exclusions").

### 3. Service Level Commitment (on a calendar month basis)

| SERVICE LEVEL   | SERVICE CREDITS                  |
|---|----------------------------------|
| Consumer Facing App (e.g., mobile app) Availability<br>>=98% and <99.5% | 5% of the monthly Platform Fees  |
| Availability >=95% and <98%   | 10% of the monthly Platform Fees |
| Availability <95%   | 25% of the monthly Platform Fees |
| Mobile API Average Response Time >500ms                                 | 15% of the monthly Platform Fees |
| Gift Card API Average Response Time >1000ms                             | 15% of the monthly Platform Fees |
| Payment API Average Response Time >1000ms                               | 15% of the monthly Platform Fees |

### 4. Warrantable Usage Rates

| Metric   | Definition  |
|--|---|
| API request rate <= 100 requests/second averaged over a one- | The count of all API Requests in a one-minute (60 second) window divided by 60 to yield average |

|   |  |
|---|--|
| minute window   | requests/second for that window.   |
| API request rate $\leq$ 4,000 requests/minute averaged over a one-hour window | The count of all API Requests in a one-hour (60 minute) window divided by 60 to yield the average requests/minute for that window. |
| Peak API request rate $<$ 200 requests/second                                 | The instantaneous rate of API Requests measured in requests per second.  |
| Campaign messages sent (messages per day) $\leq$ 1 million                    | The total number of messages (email, push, or SMS) sent in a calendar day using Pacific Standard Time for day start and end times. |

## 5. Service and Support Process and Expectations

Punchh has two types of Support for PAR Punchh Services. These are **DevOps** and **Technical Support**.

**A. DevOps:** DevOps' main purpose is to ensure overall Services are available and accessible.

DevOps is responsible for 24/7 Services Monitoring, Maintenance and Triage. DevOps interacts with Customer via an accessible Status page, only when a Service Outage is experienced. It is Customer's responsibility to subscribe to Status page and subsequent notices. The default location for this page is <http://status.punchh.com>, although this may vary by Customer.

**B. Technical Support:** Technical Support provides a communication path for Customer to submit Problems and/or Questions, and to have a dialog around resolution of said Problems and/or Questions. Support is only available during Support Hours, unless expressly outlined below. A Problem means there is an actual problem with the functionality of the platform OR configuration issue caused by Punchh. A Question means there is a question asked, or there is a configuration issue caused by Customer (or Customer's approved 3<sup>rd</sup> party).

***Submitting a Ticket.*** Although there are multiple means of submitting a Ticket to Technical Support, only one process allows Customer to designate any level or Priority/Severity. Submissions outside the approved means listed will result in lower Priority, equating to slower Response Times. Response Times are defined as the written or verbal response from Punchh that is NOT an automated reply to a ticket submission. The approved submission method is via the Support Portal at <https://support.punchh.com>. Technical Support will meet Service Level for a Customer's Contracted Technical Support Service Level Tier as may be attached hereto in a separate table.

Technical Support will meet Service Level for a Customer's Contracted Tier.

| Punchh Support Service Levels – Enterprise Tier  |   |                             |                             |                     |
|--|---|-----------------------------|-----------------------------|---------------------|
| Priority Level   | Description   | Time to Engage              | Time to Repair              | Success Target      |
| <b>Urgent<br/>Severity 1</b>   | Live Environment Only<br>Non-Development Issues<br>Problems Only (Not Questions)<br>Catastrophic failure of the Services or renders the Services Inoperable by Customer such that little to no business can be conducted.                         | <b>2</b><br>Business Hours  | <b>24</b><br>Business Hours | <b>95%</b>          |
| <b>High<br/>Severity 2</b>   | Live Environment Only<br>Non-Development Issues<br>Problems or Questions<br>Severe degradation of Services or loss of some functionality having an impact on Customer business, but where all or most Guests can still use the Private Label App. | <b>4</b><br>Business Hours  | <b>3</b><br>Business Days   | <b>95%</b>          |
| <b>Normal<br/>Severity 3</b>   | Problem or Question<br>Certain elements of usability/functionality are impacted but most operations of the Services function normally.  | <b>6</b><br>Business Hours  | <b>5</b><br>Business Days   | <b>95%</b>          |
| <b>Low<br/>Severity 4</b>  | Feature Request<br>Problem or Question<br>Little to No impact on Customer's ability to use Services. Specific Guest Questions.  | <b>48</b><br>Business Hours | <b>10</b><br>Business Days  | <b>Not Measured</b> |
| <b>Definitions</b><br>Business Hours (North America, South America) – 8am-8pm Central Standard Time, Monday-Friday<br>Business Hours (EMEA, APAC) – 10am-7pm Indian Standard Time, Monday-Friday<br>Problem – There is an actual problem with the functionality of the platform, OR configuration issue caused by Punchh<br>Question – There is a question asked, or there is an configuration issue caused by Customer (or Customer approved 3 <sup>rd</sup> Party)<br>Time to Engage – Written or Verbal response from Punchh, that is NOT an automated Reply to Ticket Submission<br>Time to Repair (Urgent & High) – A Fix, a Valid Permanent or Temporary Work-around<br>Time to Repair (Normal & Low) – A Fix, Workaround, or Final Statement confirming future consideration of Ticket as a Low Priority Item |   |                             |                             |                     |

**EXHIBIT B**  
**DATA PROCESSING ADDENDUM**

That Data Processing Addendum ("DPA") effectively dated September 23, 2023 referring to Punchh's services and obligations shall apply to the terms of this Agreement and is incorporated into the Agreement. Unless otherwise defined in this DPA, interpretations and defined terms set forth in the Agreement apply to the interpretation of this DPA. To the extent any terms of the Agreement conflict with this DPA, the terms of this DPA will control.

**EXHIBIT C**  
**PARTICIPATION AGREEMENT**

This Participation Agreement (this "Participation Agreement") is made effective as of the signature date of the Participating Location (as defined herein) below (the "Participation Agreement Effective Date") and is entered into by and between the undersigned franchisee entity (each, a "Participating Location") and Punchh Inc., with an address of 8383 Seneca Turnpike New Hartford, New York 13413 or Punchh (Canada) Inc. (collectively, "Punchh"); Punchh and Participating Location are sometimes referred to herein individually as a "Party" and collectively as the "Parties").

**RECITALS**

- A. American Dairy Queen Corp. and Dairy Queen Canada, Inc. (collectively, "Customer") and Punchh entered into a certain Master Services Agreement with an effective date of \_\_\_\_\_, as may be amended from time to time (the "Agreement").
- B. The Agreement contemplates the provision of certain products and services by Punchh to Participating Locations, including the execution of this Participation Agreement and the payment of applicable fees by Participating Locations that are not participating in the Dairy Queen® National Marketing Fund, in order to receive Punchh products and services for use of the Dairy Queen® loyalty program.
- C. The purpose of this Participation Agreement is to create a direct relationship between Punchh and Participating Locations to establish contractual privity and allow for direct billing, as applicable.

NOW THEREFORE, in consideration of the promises contained in this Participation Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Participating Location and Punchh agree as follows:

- 1. Incorporation of the Agreement. This Participation Agreement is entered into under the provisions of the Agreement, and except as provided in this Participation Agreement or as specified in the Agreement, all of the terms and conditions of the Agreement, as may be amended in a writing signed by Punchh and Customer (for clarity, Participating Locations are not permitted to request or make amendments to the Agreement) and as specifically referenced in Section 4 below, are incorporated into this Participation Agreement by this reference, as if fully set forth herein. Except as specifically set forth hereunder, Participating Location hereby agrees to be bound by terms and conditions (including obligations of "Customer" therein) of the Agreement, as if Participating Location was a signatory to the Agreement (and as such Punchh shall have all rights against the undersigned as if the undersigned was Customer pursuant to the Agreement). For clarification, while Participating Location agrees to be bound by terms and conditions of the Agreement, a Participating Location is not equivalent to Customer and Customer retains all rights accruing to it in the Agreement, including any ownership rights in Section 7 (Ownership) and Section 8 (Data). In the event of any inconsistency between the terms of this Participation Agreement and the Agreement, the Agreement shall control as to the subject matter of this Participation Agreement. Capitalized terms used in this Participation Agreement, to the extent not otherwise defined in this Participation Agreement, shall have the meanings ascribed in the Agreement.
- 2. Term. The term of this Participation Agreement will commence on the Participation Agreement Effective Date and will continue thereafter until the expiration or termination of the Agreement

between Punchh and Customer, unless this Participation Agreement is terminated earlier in accordance with the terms of the Agreement itself or pursuant to the termination provisions of the Agreement that are incorporated into this Participation Agreement by reference.

3. Fees for the Participating Locations.

- a. For Participating Locations that DO participate in the National Marketing Fund. You will not be direct billed, as Customer will be collecting your respective payment and providing it to Punchh directly and any billing obligations of Customer will not apply to your Participating Locations.
- b. For Participating Locations that DO NOT participate in the National Marketing Fund. You are required to complete the ACH Authorization Form and Customer Information Form attached as Schedule A to this Participation Agreement. To clarify, the customer referenced on the ACH Authorization Form and the Customer Information Form is the Participating Location, not "Customer" under the Agreement. The amount of the ACH direct debit to Punchh by the Participating Location shall depend upon the Participating Location's election of which loyalty product was selected by Participating Location in the onboarding process, payable per month for the applicable Loyalty Platform Fees, *plus* taxes, and pass-through third-party expenses required to utilize the platform (e.g., SendGrid and Twilio) which will be billed separately per the terms of the Order. Section 6.2 of the Agreement regarding the ability of Punchh to suspend Services in the event your account is 60 days or more overdue following notice shall apply to this Participation Agreement.

4. Applicable Agreement Provisions.

- a. This Participation Agreement shall include the following sections from the Agreement to bind Participating Location as if they were the Customer: Section 1 (Definitions), Section 2 (Services), Section 4 (Platform), Section 6 Fees and Payment), Section 9 (Confidentiality), Section 11 (Representations and Warranties), Section 12 (Disclaimer), Section 14 (Indemnification), Section 15 (Limitation of Liability), Section 16 (Consumer Communications), and Section 18 (General).
- b. Any other Section that is only applicable to or exercisable by Customer due to Customer's rights as the franchisor and to the nature of the franchise relationship shall be further excluded from this Participation Agreement.
- c. Participating Location agrees to complete and provide, on an ongoing basis within three (3) business days of any change in information, the ACH form provided by Punchh.

5. Governing Law. This Participation Agreement will be governed by and construed in accordance with the laws of Delaware, excluding conflict of law principles. Any legal action or proceeding arising under this Participation Agreement will be brought exclusively in the federal or state courts located in the State of Delaware, and the parties hereby irrevocably consent to personal jurisdiction and venue therein.

6. Notices. All notices required or permitted under this Participation Agreement will be in writing and delivered by confirmed electronic transmission, by courier or overnight delivery services, or by certified mail, and in each instance will be deemed given upon receipt. All communications will be sent to the addresses set forth in this Participation Agreement or to such other address as may be specified by either party to the other in accordance with this Section. Notices to Punchh shall include a copy to [legal@partech.com](mailto:legal@partech.com).

7. Counterparts. This Participation Agreement may be executed in one or more counterparts, all of

which taken together shall constitute one single agreement between the Parties hereto. If any signature is delivered by e-mail delivery of a ".pdf" format data file, such signature will create a valid and binding obligation of the Party executing (or on whose behalf such signature is executed) with the same force and effect as if such ".pdf" signature page was an original thereof.

8. Miscellaneous. The Parties agree that the Participating Location is individually entering into this Participation Agreement solely on its own behalf and therefore, neither American Dairy Queen Corp., Dairy Queen Canada, Inc. or any other affiliate of American Dairy Queen Corp. or Dairy Queen Canada, Inc. shall be liable to Punchh for any payments due and owing by the Participating Location for products or services provided by Punchh under this Participation Agreement (except as may be specifically agreed in a writing signed by Punchh and Customer) or for any other obligations of the Participating Location under this Participation Agreement.

Franchisee Legal Entity Name: \_\_\_\_\_

Franchisee Mailing Address: \_\_\_\_\_

Store Number(s): \_\_\_\_\_

ACCEPTED AND AGREED:

Signed:

Name:

Title:

Date:



**SCHEDULE A**  
**ACH FORM FOR NON-NMF LOCATIONS**

**ACH DEBIT  
AUTHORIZATION**

Capitalized terms not otherwise defined herein will have the meanings given to such terms in the applicable agreement executed by the Customer with ParTech, Inc., or an affiliate thereof ("PAR"), which may include a Master Products and Services Agreement, Terms of Use, License and Subscription Agreement, Master Services Agreement, or an adoption, joinder or participation agreement thereto (collectively, the "Agreement"). The authorized signatory listed below on behalf of Customer, hereby authorizes PAR or any agent designated by PAR, in connection with Customer's purchase or rental of the products and services set forth in any particular Sales Order or Order Form under the Agreement ("Products/Services"), to initiate ACH debits, and if necessary, adjust any debit entries made in error to Customer's bank account ("Account") described below ("Authorization"). This Authorization is intended by Customer to include all payments due from Customer under the Agreement for all of Customer's locations/units specified in a Sales Order or Order Form (and any additional locations/units added by Customer during the term of the Agreement, including current and past due recurring payments, miscellaneous changes, taxes and late charges. This Authorization shall not be limited or deemed waived, nor shall PAR assume any liability, if for any reason PAR delays debiting Customer's Account for amounts due under the Agreement. FOR ADMINISTRATIVE PURPOSES, ALL DEBIT ENTRIES FOR DATA CENTRAL SERVICES SHALL APPEAR ON THE ACCOUNT AS BEING INITIATED BY "RESTAURANT MAGIC" AND ANY DEBIT ENTRIES FOR BRINK POS SHALL APPEAR ON THE ACCOUNT AS BEING INITIATED BY "BRINK SOFTWARE INC."

**CUSTOMER INFORMATION**

*Parent Company:*

*Brand(s):*

*Company Legal Name(s):*

*Name of Authorized Signer:*

*Company Address:*

*City, State, Zip:*

*City:*

*State:*

*Zip:*

*Store Number*

*Billing Contact Name:*

*Billing Email:*

*Billing Phone Number:*

**BANK ACCOUNT INFORMATION**

*Bank Region:*

*Company Name on Account:*

*Bank Name:*

*Branch:*

*Branch Address:*

*Branch City, State, Zip:*

*City:*

*State:*

*Zip:*

*Bank Account Number:*

*Bank Routing Number (9 Digits):*

*Transit Number (Canada):*

*Bank Code (Canada):*

Confidential Information

**Sample Check (United States)**

|  |                |      |
|--|----------------|------|
| Jane Doe<br>1234 Main St Apt 101<br>Lebanon, KS 66215  |                | 1001 |
| DATE   |                |      |
| PAY TO THE ORDER OF                                    | DOLLARS \$1.52 |      |
| Your Bank<br>Address of Your Bank<br>Lebanon, KS 66215 |                |      |
| FOR  |                |      |
| ⑆ 1 234 56789 ⑆ ⑈ 1 234 567 ⑈ 1001                     |                |      |

|                     |                     |         |
|---------------------|---------------------|---------|
| ⑆ 1 234 56789 ⑆     | ⑆ 1 234 567 ⑆       | 1001    |
| Bank Routing Number | Bank Account Number | Check # |

**Sample Check (Canada)**

|   |             |
|---|-------------|
| SECURITY FEATURES INCLUDE: - PETZKLE EINE SICKE - CARACTÉRISTIQUES DE SÉCURITÉ INCLURENT: - DÉTÈCTION AU VERROU |             |
| YOUR NAME   | DATE 20 / / |
| Y Y Y Y M M D D   |             |
| PAY TO THE ORDER OF   | \$          |
| /100 DOLLARS  |             |
| BANQUE DE MONTRÉAL<br>2316 DU FAUBOURG<br>SOUTHERLAND, Q.C. J1H 1S3   |             |

|           |           |           |               |
|-----------|-----------|-----------|---------------|
| ⑆ 00 ⑆    | ⑆ 2760 ⑆  | ⑆ 001 ⑆   | ⑆ 1 234 567 ⑆ |
| Transit # | Bank code | Account # |               |

Customer certifies that all information set forth above is true and correct. Customer agrees to give PAR not less than ten (10) days advance written notice of any termination or change in this Authorization, which shall remain in full force and effect until PAR has received such written notification from Customer.

Customer may revoke this Authorization by giving written notice to PAR or Customer's bank. If Customer revokes this Authorization without making other payment arrangements or by providing an alternate Authorization to PAR for the Products/Services provided under the Agreement and Customer's payment is thirty (30) days or more overdue (except with respect to charges then under reasonable and good faith dispute) and such default has not been cured within ten (10) business days (or such other times as agreed upon by Customer and PAR under the Agreement) after written notice from PAR to Customer, in addition to any of its other rights or remedies under the Agreement, in the case of Services, PAR reserves the right to suspend the Services provided to Customer, without liability to Customer, until such amounts are paid in full.

**CUSTOMER HEREBY ACKNOWLEDGES AND AGREES THAT THE FINANCIAL ACCOMMODATIONS AND PERIODIC PAYMENTS UNDER THE AGREEMENT HAVE BEEN AGREED TO BY PAR UPON THE CONDITION THAT PAR WILL BE ABLE TO REALIZE COST SAVINGS BY ADMINISTERING THE AGREEMENT USING ACH DEBIT AS AUTHORIZED HEREIN. IF, FOR ANY REASON, THIS AUTHORIZATION IS TERMINATED OR SUSPENDED OR PAR IS UNABLE TO ADMINISTER THE AGREEMENT BY ACH DEBIT ENTRIES AS AUTHORIZED HEREIN, CUSTOMER AGREES THAT THE PERIODIC PAYMENTS UNDER THE AGREEMENT MAY BE INCREASED BY TWO PERCENT (2%) UNTIL PAR'S ABILITY TO ADMINISTER THE AGREEMENT BY ACH DEBIT AS AUTHORIZED HEREIN HAS BEEN RESTORED TO THE REASONABLE SATISFACTION OF PAR.**

**THE PERSON SIGNING BELOW AFFIRMS THAT HE/SHE IS A DULY AUTHORIZED CORPORATE OFFICER OR OFFICIAL, PARTNER OR PROPRIETOR OF THE CUSTOMER LISTED ABOVE.**

CUSTOMER: \_\_\_\_\_

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Required for customers ordering products or services from ParTech, Inc. and its subsidiaries

| Company Information            |                              |                        |
|--------------------------------|------------------------------|------------------------|
| Legal Business / Entity Name:  |                              | Federal Tax ID (EIN):  |
| Billing Address:               |                              |                        |
| City:                          | State:                       | Zip Code:              |
| Business Established:          | Total Annual Revenue:        | Ownership Structure:   |
| Primary Contact Name:          | Email Address:               | # of Stores Owned:     |
| Phone Number                   | Mobile Number                | Fax Number             |
| Accounts Payable/Remit to Name | Accounts Payable/Remit Email | Accounts Payable/Phone |

| Company Ownership Information |        |          |
|-------------------------------|--------|----------|
| Name Owner #1:                | Title: | % Owned: |
| Name Owner #2:                | Title: | % Owned: |
| Name Owner #3:                | Title: | % Owned: |

If more than 3 owners, please list on separate page.

#### AUTHORIZATION & ACKNOWLEDGEMENT

By signing below, I, on behalf of the company listed above, certify that (a) the information contained in this form is complete and accurate; (b) I represent a company who is a business seeking to receive products and services for business purposes only, and (c) I am a principal of the company and duly authorized to execute and submit this form. I authorize ParTech, Inc. (its subsidiaries or affiliates) ("PAR") or an agent acting on its behalf to run a credit check and/or request credit and other reports on the company named above and/or verify references supplied herein.

Submission of this form does not entitle company to any products or services and does not create any binding obligations on PAR. Company understands and agrees that PAR shall be under no obligation to provide any products and services until an agreement has been executed by both company and PAR and that the payment terms approved by PAR may be different than those requested by company.



SIGNATURE:

TITLE:

PRINT NAME:

DATE:

**Attn: Accounting Department**

8383 Seneca Turnpike New Hartford, NY 13413  
Phone: (800) 448-6505 • Fax: (315) 738-0343 REV 04/20/22



## PARTICIPATION AGREEMENT

This agreement ("Agreement") by and between Acumera Inc, ("Acumera") herein referenced as "Company, located at 3307 Northland Dr Suite 500, Austin, TX 78731 ("Acumera"), and

\_\_\_\_\_, located at

\_\_\_\_\_, ("Participating Location") is effective on the date that it is acknowledged and agreed to at the end of this Agreement by Acumera ("Effective Date"). Participating Location acknowledges that Acumera and American Dairy Queen Corporation ("Dairy Queen") have negotiated a Master Services Agreement (the "Master Agreement") to cover the acquisition and use of Equipment and delivering of Services.

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties, intending to be legally bound, agree as follows:

**1. Definitions.** The following definitions apply to this Agreement:

- 1.1. "Location". Means the physical location or locations from where Participating Location is utilizing the Services.
- 1.2. "Participating Location," "you" or "your" means the firm, corporation, or other entity that utilizes Acumera's Service and Equipment, and that is responsible for the payment of charges under, and for compliance with, this Agreement.
- 1.3. "Participating Location Equipment" refers to equipment that Participating Location acquires from a source other than Acumera and is used in conjunction with the Service.
- 1.4. "Equipment" means equipment at Participating Location's Location(s) that is directly provided and/or maintained by Acumera and used in conjunction with the Services.
- 1.5. "Services" refers to any services provided to Participating Location by Acumera. The current description of the Services is provided at: [www.Acumera.com/description-of-services](http://www.Acumera.com/description-of-services). The Description of Services is subject to change.
- 1.6. "PCI-DSS" refers to the Payment Card Industry Data Security Standard which is an information security standard for organizations that handle credit cards. The PCI-DSS standard is mandated by the card brands and administered by the Payment Card Industry Security Standards Council.
- 1.7. "Party" means a party to this Agreement.

**2. Work Orders and Contract Documents.** Services will be provided to locations as indicated on each Work Order ("Work Order"), SOW, Service Fees and Pricing Exhibit, and/or other applicable contract document. By submitting a Work Order, SOW and/or Service Fees and Pricing Exhibit, Participating Location agrees that the Work Order immediately becomes a part of and is governed by this Agreement. Acumera is not obligated to provide any Services until a completed Work Order or SOW has been submitted by Participating Location and accepted by Acumera. This Agreement, and any Exhibits and addenda together with any applicable Work Order, governs the services provided by Acumera to Participating Location.

**3. Setup.** Participating Location shall be responsible for the installation and setup of Participating Location Equipment including software, operating-system patches, or new or different operating-system versions. Participating Location shall be responsible for keeping scheduled installation appointments or timely rescheduling. Remote setup of the Equipment by Acumera shall take place Monday through Friday, 7:00 a.m. through 7:00 p.m. EST; additional costs may be assessed to Participating Location for evening and weekend setup and for set up delays caused by non- standard or incomplete configuration requests.

**4. Costs at Location.** Participating Location is solely responsible for all costs at its Location(s), including without limitation, personnel, wiring, computer equipment, Internet access, electrical power and the like, necessary for the use of the Acumera Services and Equipment. Participating Location is solely responsible for any third- party fees

not specifically covered under this Agreement or any Work Order, including, but not limited to, fees incurred to facilitate installation, Participating Location's IT or technical assistance, or any other third-party fees expended.

5. **Equipment.** Acumera may provide Equipment to Participating Location to facilitate performance of Services. If any such Equipment fails during the Term of this agreement as a result of misuse, abuse, the fault or negligence of Participating Location or a third party, or due to an Act of God, it will be replaced by Acumera after payment to Acumera by Customer of the replacement cost of the item. Title to any Equipment passes to Customer upon shipment (FOB Origin). If any Equipment is not received by the Participating Location or is damaged in the shipping process, Acumera will replace that Equipment with no additional charge to the Participating Location. If the Equipment fails for reasons other than misuse, abuse, or the fault or negligence of Participating Location or a third party, or an Act of God, it will be replaced by Acumera without additional payment from the Customer.
6. **Maintenance.** In the routine process of managing and maintaining deployed Equipment, Acumera may occasionally perform remote maintenance activities on Equipment, such as a firmware update etc., that may result in the Equipment being reset and unavailable and/or result in a loss of connectivity at a Location for a short period of time. Except in the case of emergency or in the process of troubleshooting a critical service issue, Acumera will perform this type of work during planned maintenance windows which take place each day between 1AM and 5AM local time and for which Acumera will use commercially reasonable efforts to give eight (8) hours or more notice that the maintenance will be performed and Equipment may be unavailable.
7. **Location List.** The locations covered by this Agreement shall be specified in a Work Order or on a Location List which, if applicable, will be attached as an Exhibit hereto. The addition of a new Location to this Agreement will require the submission of an Addendum to the Agreement adding the Location in the form attached as Exhibit "A", New Location Addendum.
8. **Term.** The term of this Agreement is thirty six (36) months plus any partial first month beginning on the date Service commences. ("Initial Term"). The Agreement shall automatically be renewed after the Initial Term on the applicable anniversary of the Effective Date for subsequent one (1) year periods (each, a "Renewal Term"). The Initial Term and all Renewal Terms shall collectively be referred to as the "Term."
9. **Location Term.** The Term for any Location(s) is the same as Paragraph 8 above, except as follows: The Location Term begins on the date Service commences at that Location. The Location Term(s) is independent and does not run coterminous with any other Location Term unless the date of commencement of Service is the same.
10. **Fees and Payment.**
  - 10.1. **Fees and Invoicing.** Participating Location agrees to pay all recurring charges and non-recurring charges, (collectively, the "Fees") as indicated in any Work Order or SOW. Participating Location agrees that recurring charges commence upon installation of the equipment and/or commencement of Services at a Location and non-recurring charges upon shipment of the Equipment to a Location. Acumera will invoice for install/set up fees and shipping and handling charges on the firewall shipping date. The pricing is confidential and may not be disclosed to third parties. Any partial month at the beginning of the Term will be invoiced to Participating Location on a pro-rated basis. Invoicing, which will occur one month in advance, begins upon shipment. Payments shall be made to Acumera via credit card or auto ACH debit and shall be paid fifteen (15) days from invoice date, or if such due date falls on a weekend or holiday, on the first business day after such due date. ACH or credit card payment shall be set up with Participating Location prior to the commencement of Service. Fees are non-refundable. Participating Location may pay on a monthly basis, or on an annual up-front basis according to preference.
  - 10.2. **Additional or Change in Fees.** Acumera may introduce additional services or features during the Term with associated Fees, which Participating Location may elect not to utilize. If Participating Location does not elect to use the additional services or features, then Participating Location will not be charged any additional fees. For Fees related to the Core Services as described in an applicable Work Order, Acumera will use commercially reasonable efforts to maintain the Fees at the price specified in the Work Order for the duration of the Participating Location's term. However, Acumera may increase such Fees once per year as necessary to accommodate unforeseen increases in its costs, subject to a maximum annual increase equal to the lesser of 2% or the amount of Consumer Price Index ("CPI") increase calculated based on the immediately preceding unadjusted 12 months (10/01 through 9/30), derived from the U.S. Department of Labor, Bureau of Labor Statistics web site, <https://www.bls.gov/news.release/cpi.nr0.htm>.
  - 10.3. **Overdue Payments.** At Acumera's discretion, any undisputed payment not received from Participating Location by the due date may accrue late charges at the rate of one and a half percent (1.5%) of the outstanding balance per month, or at the maximum rate permitted by law, whichever is lower, from the date such payment was due until the date paid.

- 10.4. Suspension of Service.** If Participating Location's account is fifteen (15) days or more overdue, in addition to any of its other rights or remedies, Acumera reserves the right to suspend the Service provided to Participating Location, without liability to Acumera, until such amounts are paid in full; provided, however, that prior to any such suspension, Acumera shall provide Participating Location with at least ten (10) days' prior written notice that payment is overdue and the date upon which Services will be suspended if payment is not received. Acumera may require an activation fee to change or resume a suspended Account.
- 10.5. Payment of Fees.** In the event of Participating Location's breach of the terms of this Agreement, including without limitation, failure to pay any sum due hereunder, in addition to other remedies and recoveries provided for hereunder (e.g., for early termination), Participating Location shall reimburse Acumera for all attorney's fees, court, collection and other costs incurred by Acumera in the enforcement of Acumera's rights hereunder and Acumera may keep any deposits or other payments made by Participating Location.
- 11. Billing Disputes.** To dispute an Invoice, or a portion thereof, Participating Location must, within thirty (30) days of the date on the Invoice ("Dispute Due Date"), submit a written claim fully documenting the reasons for the dispute (the "Claim") via certified or overnight mail, return receipt requested, to the address below. After receipt of the Claim, Acumera shall undertake an investigation of the Claim, so long as Participating Location has not waived its rights pursuant to this paragraph to make the Claim. At the conclusion of the investigation, Acumera will notify Participating Location of any amount determined by Acumera to be correctly charged and such amount will become immediately due and owing. If the Claim is not sent by the Dispute Due Date, Participating Location waives all rights to dispute the applicable Charges, unless otherwise provided by law. All billing disputes must be sent to the Billing Department at the address listed in the first paragraph of this Agreement, and to [bcreceivables@acumera.com](mailto:bcreceivables@acumera.com)
- 12. Taxes.** Federal, state, local, county, municipal and other governmental or regulatory agencies may assess taxes, including, without limitation, excise, franchise, sales, value-added, use, personal and real property taxes, surcharges, tariffs or fees (collectively, "Taxes") on Participating Location's purchase or use of the Services or Equipment. These Taxes may change from time-to-time, with or without notice to Participating Location. Participating Location is responsible for the payment of all applicable Taxes now in force or enacted in the future. The Taxes are in addition to the amounts paid for the Services and Equipment. If Participating Location is exempt from any or all Taxes, it must provide Acumera with an original certificate that satisfies applicable legal requirements attesting to its tax-exempt status. Tax exemption shall only apply from and after the date that Acumera receives such valid certificate. If any amounts paid by Participating Location for the Services are refunded by Acumera to the Participating Location, applicable Taxes may not be refundable.
- 13. Termination.**
- 13.1. Master Termination.** If Dairy Queen terminates the Master Agreement for an uncured material Breach of Contract, this Agreement will terminate immediately and no further fees will be due for Products or Services under this Agreement. Acumera may, at Acumera's option and expense, require Participating Location to return Products supplied under this Agreement. Termination shall not relieve Participating Location of the obligation to pay any Fees accrued or payable to Acumera prior to the effective date of termination. Should Participating Location elect to continue to use Acumera's Services past the date of termination of the Master Agreement, the portions of this Agreement which do not concern duties of Dairy Queen will remain in full force and effect, and Participating Location is responsible for all fees incurred as long as Services are being used. In no case will this Agreement extend beyond the Initial Term, if the Master Agreement has been terminated prior to the end of the Initial Term, or beyond the end of the current Renewal Term, if the Master Agreement has been terminated after the end of the Initial Term.
- 13.2. Termination.** Either party may terminate this Agreement for any reason or for no reason at the end of a Term or Location Term by giving written notice to the other party not less than thirty (30) days prior to the end of the then current Term. Participating Location may terminate this Agreement only in accordance with the termination conditions set forth in this Agreement.
- 13.3. Early Termination.** If Participating Location desires to terminate this Agreement prior to the end of the Initial Term or Initial Location Term ("Early Termination"), Participating Location shall give Acumera notice, pursuant to Section 23, of its intent to terminate early thirty (30) days prior to the desired termination date. Termination shall not relieve Participating Location of the obligation to pay any Fees accrued or payable to Acumera prior to the effective date of termination. Participating Location shall also be responsible for paying an early termination charge according to the following schedule:

| Months Paid Under this Agreement | Termination Fee* |
|----------------------------------|------------------|
| 0-12                             | \$1000           |
| 12 - 24                          | \$500            |

- 13.4. Termination for Breach.** Either party may terminate this Agreement at any time by giving thirty (30) days written notice ("Breach Notice") of termination to the other party in the event that the other party: (i) breaches the terms or conditions of this Agreement including, but not limited to, payment of the Monthly Service Fee, and fails to remedy such breach within thirty (30) days of the date of the Breach Notice; or (ii) becomes insolvent, makes an assignment for the benefit of creditors, is adjudged bankrupt, or if a receiver is appointed over such party's assets. In the event Acumera terminates this Agreement due to Breach, Participating Location agrees to pay an early termination charge according to Paragraph 13.3.
- 13.5. Termination for Change in Service.** In the event Acumera provides Participating Location with written notice pursuant to section 23 herein that it is no longer able to provide a material aspect of its Services, including but not limited to the Data Breach Financial Protection Program located at [www.Acumera.com/DBFP](http://www.Acumera.com/DBFP), and Acumera is unable to provide suitable alternative Services within thirty (30) days of notice of same, Participating Location shall within thirty (30) days of the date of such notice have the right to terminate this Agreement without penalty or early termination charge. In the event of such termination, Participating Location shall provide notice of termination to Acumera pursuant to section 23 herein.
- 14. Self-Service Portal Access/Communication/Participating Location Responsibilities/Data Access.**
- 14.1.** In the context of performing the services purchased through each Work Order, Acumera may grant self-service portal access ("Access") to and communicate with only those employees or agents of Participating Location ("Contacts") who are specified in the Account Permissions section of each Work Order or who have been added as Contacts by the person designated in each Work Order as Participating Location's Administrative Contact. The Access of Contacts will be limited by the permissions granted to them by the Administrative Contact.
- 14.2.** By Access, Participating Location is responsible for the review, download, and distribution of scans and logs.
- 14.3.** With respect to Access, Participating Location agrees to be bound by the Terms of Use and Privacy located at <http://www.Acumera.com>.
- 14.4.** Participating Location authorizes Acumera to share scan results, logs and other data regarding POS, PCI and compliance with Dairy Queen. No personal cardholder data is intentionally seen by Acumera, and no personal data from either Participating Locations or employees will be shared within this process without prior authorization.
- 15. Privacy and Confidentiality.** In the course of providing the deliverables, Acumera may be given access to, or be provided with, confidential information about Participating Location's business and/or Participating Location's website ("Business Information"), and personal information about Participating Location, Participating Location's employees, Participating Location's account and/or card holders and/or Participating Location's website ("Personal Information"). Participating Location authorizes such access and disclosure of Participating Location's Business Information to Acumera. Acumera will use reasonable efforts to keep Participating Location's Business Information confidential and will not disclose Participating Location's Business Information to any third party. To the extent that access to Personal Information by Acumera occurs, Participating Location authorizes such access and authorizes Acumera to use such Personal Information for the sole purpose of providing the services contemplated by this Agreement. Acumera will not use any such Personal Information for any other purposes than those specifically related to providing the services contemplated by this Agreement. As a Service Provider as defined under PCI-DSS regulations, Acumera acknowledges it is responsible for the security of cardholder data that it possesses, stores, processes, or transmits on behalf of the Participating Location, or to the extent it impacts the security of the Participating Location's cardholder data environment. Participating Location acknowledges that it is responsible for the security of cardholder data that is in its possessions or that it stores, processes, or transmits while it is in Participating Location's possession or care. Participating Location further acknowledges that it is responsible for complying with any applicable regulations.
- 16. Intellectual Property.** The intellectual property associated with any Equipment installed at Participating Location's Location(s) is and remains Acumera's property. By its possession and use, Participating Location acquires no rights or interests of any kind in the intellectual property and hereby expressly covenants that it will not disclose anything about Acumera's intellectual property or allow any physical access to Acumera's intellectual property. If Participating Location is subject to a claim or demand that the Services infringe a third party's property rights, Acumera will: (1) procure for Participating Location the right to continue to use the Services, replace the Services, or modify the Services to avoid infringement; and (2) indemnify Participating Location against damages and costs (including reasonable attorney's fees and legal expenses) incurred in connection with the alleged infringement.



**17. Responsibility for PCI-DSS Compliance and Network Security.** Acumera supplies and manages the firewall and the configuration of that firewall required to provision its services. Acumera establishes firewall configuration and policy based on PCI-DSS recommendations, generally accepted industry best practices and in consultation with Dairy Queen. Participating Location acknowledges that:

- 17.1. Once Dairy Queen and Acumera have established security configurations and policies for the Dairy Queen system, Acumera will not honor Participating Location requests to configure Equipment in ways that are contrary to those established configurations and policies unless and until Acumera receives a Configuration Exception from Dairy Queen.
- 17.2. "Configuration Exception" shall mean a written exception to a configuration policy from Dairy Queen, describing the Participating Location and the requested exception in sufficient detail to allow Acumera to fulfill the request.
- 17.3. Dairy Queen has agreed to respond to the request for a Configuration Exception within 2 business days.
- 17.4. Participating Locations may request information on Dairy Queen's established security configurations and policies from Dairy Queen.
- 17.5. Acumera may honor such approved Participating Location requests to configure the firewall and/or network in ways that may be contrary to Acumera's or PCI-DSS recommendations or may not adhere to generally accepted data security best practices and acknowledges that Acumera has no liability for any issues that may arise due to the fulfillment of these requests.
- 17.6. In accordance with PCI-DSS standards, Acumera recommends segmentation of the card data environment (CDE) to isolate it away from all other segments containing non-CDE network traffic.
- 17.7. Acumera will not entertain requests from Participating Locations to allow non-CDE network traffic within the CDE, unless and until Participating Location receives a Configuration Exception from Dairy Queen and provides it to Acumera.
- 17.8. Acumera does not recommend opening firewall ports to allow traffic or access for non-business related needs, including, by example, the use of insecure remote access tools , and Acumera will not carry out any request by a Participating Location to do so, unless and until Participating Location receives a Configuration Exception from Dairy Queen and provides it to Acumera.
- 17.9. Acumera provides both internal and external vulnerability scanning services administered by the third-party ASV for those Participating Locations subscribing to those services. Acumera provides limited advisory services to assist with the completion of PCI-DSS. Notwithstanding the aforementioned, Acumera does not warrant or assume any legal liability or responsibility concerning Participating Location's compliance with the PCI Data Security Standard. Acumera, is not responsible for the completion of Participating Location's Self-Assessment Questionnaire (SAQ), the filing or refiling of failed external ASV scan exceptions, the failure of scans due to Participating Location premise IP address changes, or any other PCI-DSS requirement that requires Participating Location's action or attestation.

Further, Participating Location acknowledges and agrees that Participating Location's use of Acumera's services does not guarantee PCI compliance or that the implementation of those services alone will make Participating Location's systems secure from unauthorized access. Participating Location is responsible for PCI compliance and notification of any suspected breach of its systems and Acumera is not responsible for any fines, penalties or registration fee imposed by any payment card association or its acquiring bank for Participating Location's failure to be PCI compliant.

**18. Limitation on Liability.**

- 18.1. **Limitation on Direct Damages.** EACH PARTY'S TOTAL AGGREGATE LIABILITY (INCLUDING THE LIABILITY OF ANY AFFILIATE, SUPPLIER, EMPLOYEE OR AGENT), AND THE SOLE AND EXCLUSIVE REMEDY FOR ANY CLAIM OF ANY TYPE WHATSOEVER ARISING OUT OF OR IN CONNECTION WITH ANY SERVICES PROVIDED HEREUNDER, SHALL BE LIMITED TO PROVEN DIRECT DAMAGES CAUSED BY THE OTHER PARTY IN AN AMOUNT NOT TO EXCEED THE FEES PAID BY PARTICIPATING LOCATION TO ACUMERA IN THE TWELVE (12) MONTH PERIOD IMMEDIATELY PRECEDING THE EVENT GIVING RISE TO A CLAIM HEREUNDER. UNDER NO CIRCUMSTANCES IS ACUMERA LIABLE FOR SERVICE FAILURES THAT ARE BEYOND THE REASONABLE CONTROL OF ACUMERA.

- 18.2. No Indirect Damages.** IN NO EVENT SHALL EITHER PARTY HAVE ANY LIABILITY TO THE OTHER PARTY OR ANY THIRD PARTY FOR ANY LOST PROFITS, LOSS OF DATA, LOSS OF USE, COSTS ASSOCIATED WITH INTEGRATION, INTERRUPTION OF BUSINESS, COSTS OF PROCUREMENT OF SUBSTITUTE GOODS OR SERVICES, OR FOR ANY INDIRECT, SPECIAL, INCIDENTAL, PUNITIVE, OR CONSEQUENTIAL DAMAGES HOWEVER CAUSED AND, WHETHER IN CONTRACT, TORT OR UNDER ANY OTHER THEORY OF LIABILITY, WHETHER OR NOT THE PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGE.
- 18.3.** THE LIMITATIONS IN THIS SECTION 18 DO NOT APPLY TO EITHER PARTY'S LIABILITY FOR ITS (OR ITS RESPECTIVE AGENT'S AND/OR SUBCONTRACTOR'S) GROSS NEGLIGENCE OR WILFULL MISCONDUCT, WILFUL FAILURE TO COMPLY WITH LAW, FRAUD.
- 18.4. Managed Firewall/SD-WAN Exclusions** In no event shall Acumera have any liability to Participating Location for any data breach that occurs:
- h. during any period in which the Acumera-provided or Acumera-approved firewall or SD-WAN device has yet to be initially connected or is disconnected or has been circumvented;
  - i. due to the failure to implement a security measure as recommended by PCI-DSS Standards;
  - j. in any Participating Location environment where POS system data traffic is not configured to be on an isolated network segment through the Acumera firewall;
  - k. when Participating Location requests that the isolated network segment containing POS data traffic is granted access to any system or service not directly related to processing POS transactions. However, this exclusion will not apply unless Participating Location received a Configuration Exception from Dairy Queen;
  - l. when Dairy Queen mandates implementation of a configuration, policy or procedure that Acumera recommends against (if Dairy Queen has been notified of the recommendation);
  - m. through any firewall in use, whether provided by Acumera or otherwise acquired by Participating Location, that has not passed its most recent Approved Scanning Vendor's scan (unless the issue has already been remediated);
  - n. in a manner that industry-standard firewall technology employed at time of breach is not able to prevent.
- 18.5.** In no event shall Acumera have any liability to Participating Location or any third party for Participating Location's VoIP system performance, including, but not limited to phone registration failures, call quality, dropped calls or other issues regardless of whether the VoIP traffic is configured to pass through the Acumera firewall. Participating Location acknowledges that Acumera does not provide and does not manage Participating Location's Internet circuit and is not responsible for the performance of said circuit and assumes no liability for issues with Internet speed or performance related to the Internet circuit. Furthermore, Participating Location's acknowledges that if their Internet connectivity is not a terrestrial (land-based) high-speed always-on cable, broadband, fiber, or dedicated circuit (i.e. T1 or similar), Acumera services may not perform optimally and that under such circumstances Acumera shall have no liability to Participating Location for issues caused by any inadequate or faulty Internet circuit.
- 18.6. ASV Scan Exclusion.** If applicable to the Services contracted pursuant to this Participation Agreement or any contract document(s), Acumera may agree to launch certain ASV scans and/or file or re-file external ASV scanning exceptions on behalf of the Participating Location following a specific request from Participating Location. In no event shall Acumera have any liability to Participating Location or any third-party related to launching said scan(s) or for filing or re-filing external ASV scanning exceptions on behalf of Participating Location. Participating Location is solely responsible for the validity of the information provided to Acumera in support of the filed exception(s). Participating Location further agrees to defend and indemnify Acumera in the event said information is inaccurate or changes without proper notification to Acumera.
- 18.7. VoIP Exclusion.** If applicable to the Services contracted pursuant to this Participation Agreement or any contract document(s), in no event shall Acumera have any liability to Participating Location or any third-party for Participating Location's VoIP system performance, including, but not limited to phone registration failures, call quality, dropped calls or other issues regardless of whether the VoIP traffic is configured to pass through the Acumera Equipment. Participating Location acknowledges that Acumera does not

provide and does not manage Participating Location's Internet circuit and is not responsible for the performance of said circuit and assumes no liability for issues with Internet speed or performance related to the Internet circuit. Furthermore, Participating Location acknowledges that if their Internet connectivity is not a terrestrial (land-based) high-speed always-on cable, broadband, fiber, or dedicated circuit (i.e. T1 or similar), Acumera services may not perform optimally and that under such circumstances Acumera shall have no liability to Participating Location for issues caused by any inadequate or faulty Internet circuit. Customer acknowledges that if cellular data services are utilized by Customer, either for backup or primary connectivity, by a third-party, not covered under in this Agreement, Acumera shall not be responsible for any charges, including overage charges, incurred by Participating Location associated with the use of those services, including but not limited to circumstances where the data flows through the Equipment and/or the Equipment is managed or co-managed by Acumera to accommodate failover/failback or restrict the flow of said data.

- 18.8. Cellular Usage and Over Charge Fees.** Participating Location understands that there is a probability that an over usage will result when any traffic traverses a cellular backup circuit. Participating Location understands that it is solely responsible for paying any and all overage fees and associated taxes and fees that result from over usage associated with any of their devices, activated or not at the time of invoicing, regardless of the circumstances that caused the over usage to occur.
- 18.9.** The foregoing limitations, exclusions and disclaimers shall apply, regardless of whether the claim for such damages is based in contract, warranty, strict liability, negligence, tort or otherwise. Insofar as applicable law prohibits any limitation herein, the parties agree that such limitation will be automatically modified, but only to the extent so as to make the limitation permitted to the fullest extent possible under such law. The parties agree that the limitations on liabilities set forth herein are agreed allocations or risk constituting in part the consideration for Acumera's provision of Services to Participating Location, and such limitations will apply notwithstanding the failure of essential purpose of any limited remedy and even if a party has been advised of the possibility of such liabilities.
- 19. Data Breach Financial Protection Program.** The Data Breach Financial Protection Program ("DBFP") is provided through the North American Data Security Risk Purchasing Group ("NADSRPG") and administered by RGS Limited LLC ("RGS"). The DBFP grants membership in the NADSRPG for merchants whose merchant ID numbers ("MIDS") are provided to the NADSRPG on a monthly basis. General information relating to the DBFP may be found at: [www.Acumera.com/DBFP](http://www.Acumera.com/DBFP). Full details of the DBFP are set out at [www.nadsrpg.com](http://www.nadsrpg.com). By entering this Agreement Participating Location confirms he/she has read and agrees to the terms of the Program as set out on the [www.nadsrpg.com](http://www.nadsrpg.com) webpage describing the limitations and requirements relating to coverage and claims (including requirements to be satisfied in order for payments to be made under the DBFP). The DBFP's standard policy provides levels of up to \$100,000 per MID/\$500,000 per Merchant of coverage per breach occurrence subject to the terms and conditions set out on the webpage. The total liability in relation to the DBFP is limited to the Program's stated amount of coverage. Participating Location hereby acknowledges that Acumera is merely facilitating access to the DBFP by providing MID reporting and payment services for Participating Location in connection with provision of the Services hereunder and Acumera shall in no way be held liable or responsible for any loss or damage of Participating Location or any merchant arising in connection with the Program.
- 20. No Benefit to Others.** The representations, warranties, covenants, and agreements contained in this Agreement are for the sole benefit of the parties and their respective successors and permitted assigns, and they are not to be construed as conferring any rights on any other persons.
- 21. Assignment.** Neither Participating Location nor Acumera may assign or transfer this Agreement to a third party without the prior written consent of the other party, which shall not be unreasonably withheld; provided, however, the Agreement may be assigned as part of a merger, or sale of all or substantially all of the business or assets, of either party.
- 22. Integration; Amendment; Headings; Construction; Counterparts.** This Agreement contains the entire agreement of the parties and there are no other promises or conditions in any other agreement, oral or written. This Agreement supersedes any prior written or oral agreements between the parties. This Agreement may be amended only if the amendment is in writing and is signed by both parties. The headings used in this Agreement are for convenience of reference only and form no part of this Agreement. This Agreement was negotiated by the parties, and, therefore, it shall not be strictly construed against either party as the drafter. This Agreement may be executed in one or more counterparts; if so, all counterparts constitute one agreement.
- 23. Notices.** All notices under this Agreement shall be in writing and shall be deemed to have been given upon: (i) personal delivery; (ii) upon receipt of overnight mail during business hours or the third business day after mailing using postal service first class mail; (iii) 24 hours after sending by confirmed email; or, for operational issues, to Participating Location at the email address given by Participating Location to Acumera. Notices to Acumera shall be

addressed to the attention of its VP, Customer Service, with a copy to its General Counsel at the address set forth in the first paragraph of this Agreement. Notices to Participating Location are to be addressed to Participating Location at the address set forth in the first paragraph of this Agreement. A party can change the address for receipt of notice by sending written notice to the other party.

- 24. Waiver and Cumulative Remedies.** No failure or delay by either party in exercising any right under this Agreement shall constitute a waiver of that right. Other than as expressly stated herein, the remedies provided herein are in addition to, and not exclusive of, any other remedies of a party at law or in equity.
- 25. Severability.** If any provision of this Agreement is held by a court or arbitrator of competent jurisdiction to be contrary to law, the provision shall be changed by the court or arbitrator and interpreted so as best to accomplish the objectives of the original provision to the fullest extent permitted by law, and the remaining provisions of this Agreement shall remain in effect, unless the modification or severance of any provision has a material adverse effect on a party, in which case such party may terminate this Agreement by notice to the other party.
- 26. Governance; Venue; Dispute Resolution.** This Agreement is governed by the law of Florida, and venue concerning any disputes arising hereunder is either Broward County, Florida or the county where the Participating Location resides.
- 27. Entire Agreement and Construction.** This Agreement (including any exhibits, amendments, Work Orders, and addenda hereto which are incorporated herein by reference) and any confidentiality agreements entered into between the parties constitute the entire agreement between the parties as to the subject matter, and supersede all previous and contemporaneous agreements, proposals or representations, written or oral, concerning the subject matter of this Agreement. No modification, amendment, or waiver of any provision of this Agreement shall be effective unless in writing and signed by the parties against whom the modification, amendment, or waiver is to be asserted. In the event of any inconsistency between the provisions in this Agreement and any Exhibit, Work Order or incorporated web page, the terms of this Agreement shall prevail to the extent of any inconsistency. Notwithstanding any language to the contrary therein, no terms or conditions orally made to a Participating Location, or in any other Participating Location order documentation, or other written sales material, shall be incorporated into or form any part of this Agreement.

**In witness whereof,** intending to be legally bound, the parties hereto have executed this Agreement on the date(s) adjacent to their respective signatures below.

**Acknowledged and Agreed:**

**ACUMERA Inc**

**{PARTICIPATING LOCATION}**

By: \_\_\_\_\_

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_



## Statement of Work and Pricing

This Statement of Work and Pricing ("SOW") Exhibit is subject to and made a part of the Computer Network Service Agreement (CNSA) or Master Services Agreement (MSA) between \_\_\_\_\_ ("Customer") and Acumera Rigel LLC ("Acumera"). This SOW together with the CNSA/MSA governs the sale and purchase of the Services described below.

Following is the contractual pricing for services provided to the Customer by Acumera. Items added to the services provided during the initial and any renewal terms of the CNSA/MSA will be subject to the pricing schedule below or any associated Exhibits. By signing this SOW, Customer agrees to the pricing for the services listed below along with the payment options and terms and conditions contained within.

Order Type: \_\_\_\_\_

Service Type: \_\_\_\_\_

Location Brand Name: \_\_\_\_\_

| Item  | SKU | Services  | QTY                   | Monthly Service Fee | One-time Setup Fee |
|---|-----|---|-----------------------|---------------------|--------------------|
| 1   |     |   |                       |                     |                    |
| 2   |     |   |                       |                     |                    |
| 3   |     |   |                       |                     |                    |
| 4   |     |   |                       |                     |                    |
| 5   |     |   |                       |                     |                    |
| 6   |     |   |                       |                     |                    |
| 7   |     |   |                       |                     |                    |
| 8   |     |   |                       |                     |                    |
| Item  | SKU | Add-on Services   |                       | Monthly Service Fee | One-time Setup Fee |
| 1   |     |   |                       |                     |                    |
| 2   |     |   |                       |                     |                    |
| 3   |     |   |                       |                     |                    |
| <b>**Additional charges may apply for extended hours and revisit fees</b> |     |   |                       |                     |                    |
| Item  | SKU | Installation Options (per location)   | One-time Fee          |                     |                    |
| 1   | 834 | Remote Installation – Business Hours  | Included in Setup Fee |                     |                    |
| 2   | 835 | Remote Installation – Extended Hours – Weekdays (each Hour)   | \$149                 |                     |                    |
| 3   | 836 | Remote Installation – Extended Hours – Weekends (each Hour)   | \$179                 |                     |                    |
| 4   | 448 | On-Site Installation – Business Hours (Upto to 2 Hours)   | \$329                 |                     |                    |
| 5   | 837 | On-Site Installation – Extended Hours - Weekdays (Upto to 2 Hours)                                      | \$399                 |                     |                    |
| 6   | 838 | On-Site Installation – Extended Hours - Weekends (Upto to 2 Hours)                                      | \$499                 |                     |                    |
| 7   |     | Expedited Installation Fee  | \$200                 |                     |                    |
| 8   |     | Equipment Shipment (minimum per shipment. Actual charges may be higher depending on weight or priority) | \$25                  |                     |                    |
| 9   |     | Reconfiguration Fee   | \$200                 |                     |                    |
| Item  | SKU | Additional Options and Fees   | One-time Fee          |                     |                    |
| 1   | 842 | Remote Installation Additional Hours (each Hour)  | \$99                  |                     |                    |
| 2   | 843 | On-Site Installation Additional Hours – Business Hours (each Hour)                                      | \$129                 |                     |                    |
| 3   | 843 | On-Site Installation Additional Hours – Extended Hours – Weekdays (each Hour)                           | \$149                 |                     |                    |
| 4   | 843 | On-Site Installation Additional Hours – Extended Hours - Weekends (each Hour)                           | \$179                 |                     |                    |

|   |   |
|---|---|
| <b>One-time Installation/Setup Fees</b> _____   |   |
| <b>Recurring Payment Options</b> (Required. Check Only One. If not checked, recurring payments will be quarterly) |   |
| <input type="checkbox"/> <b>Quarterly Recurring Payments</b> _____  | <input type="checkbox"/> <b>Annual Recurring Payments</b> _____ |

- \*\*\*\*You require **Two** access points if you are using PAR tablets for line busting (one inside store and one outside) for optimal connectivity and performance



All fees are per location and exclude any applicable taxes  
One-time fees payable upon shipment of Equipment or execution of SOW for Software items  
Billing interval for existing services at location will change to billing interval selected above

**Term.** The Services listed above commence on the day each instance of the Service becomes active. The Term for each instance of the Service is based on the deployment date of that particular instance of the Service, and is not necessarily coterminous with other Services. The Term for each service is in accordance with Section 10 of the MSA or CNSA.

**Software.** Any Software provided is subject to the End User License Agreement ("EULA") located at <http://www.acumera.com/eula>. The EULA is subject to change and Customer is responsible for review and compliance with current EULA.

**Intrusion Detection/Prevention System (IPS) and Data Throughput.** As is the case with all IPS systems, enabling IPS could have an impact on the speed of data through the firewall/CXD. Net Acumerasurion shall have no liability to Customer for issues or inconvenience caused by slow data throughput through a Acumera provided firewall or other network device.

**Cellular Backup Service, Cellular Data Usage, Pooling and Under/Over Usage.** Cellular services provided to Customer Acumera are provided expressly as a temporary backup circuit to be used at Customer's location only in circumstances where the primary data circuit becomes inoperable. Customer is expressly prohibited from using Acumera Cellular Backup Service as a replacement for or in place of Customer's primary data circuit at any Location. In the event Customer's primary circuit becomes inoperable, it is the Customer's responsibility to engage their primary data circuit provider to repair inoperable circuits and restore connectivity as quickly as possible. When Cellular Backup Service is purchased, Acumera configures deployed CXDs and Firewalls to automatically failover to the backup cellular circuit in circumstances where the primary circuit is detected to be inoperable and to fail back when the primary circuit is restored. Acumera further reserves the right to configure deployed firewalls to limit the throughput of data traffic through the cellular backup circuit to critical functions such as credit card processing and customer should have no expectation that all location connectivity will be available or operate at typically experienced speeds when the backup cellular circuit is in use. Customer is expressly prohibited from using a Acumera deployed cellular gateway if removed from its configured connection to the firewall. Customer acknowledges that they are responsible for all Over Usage.

Customer expressly understands and agrees that it has no contractual relationship whatsoever with the underlying wireless service provider or its affiliates or contractors and that Customer is not a third-party beneficiary of any agreement between customer and the underlying carrier. Customer hereby waives any and all claims or demands therefor.

Individual Locations ("IL") that subscribe to a pooled cellular failover plan, are combined with other related Locations associated with the same individual Legal Entity ("LE") to create a "Data Pool." An LE consists of an individual legal entity contracted with Acumera and their subset of associated Locations within that legal entity that subscribe to a Acumera cellular failover plan. Every billing cycle, each IL first uses its plan's included domestic data usage ("Included Usage"). If an IL does not use all its Included Usage, it creates an underage in the amount of the unused MB of data usage ("Under Usage"). If an IL uses more than its Included Usage, it creates an overage in the amount of the excess MB of data usage ("Over Usage"). The Data Pool's Under Usage amounts for each IL and Over Usage amounts for each IL are then aggregated respectively within the LE and the totals are compared. If the aggregate Under Usage amount exceeds the aggregate Over Usage amount for the LE, then those ILs incurring an Over Usage will not be charged an overage fee. Any excess Under Usage will be forfeited. If the aggregate Over Usage amount exceeds the aggregate Under Usage amount for the LE, then each IL incurring Over Usage will be billed an Overage Fee for their individual Over Usage on a per MB basis at the additional cellular data rate defined above. Any partial MBs are rounded up to the next whole MB. CUSTOMER UNDERSTANDS THAT THERE IS A PROBABILITY THAT AN OVER USAGE WILL RESULT WHEN ANY TRAFFIC TRAVERSES THE CELLULAR BACKUP CIRCUIT. CUSTOMER UNDERSTANDS THAT IT IS SOLELY RESPONSIBLE FOR PAYING ANY AND ALL OVERAGE FEES AND ASSOCIATED TAXES AND FEES THAT RESULT FROM OVER USAGE ASSOCIATED WITH ANY OF THEIR DEVICES, ACTIVATED OR NOT AT THE TIME OF INVOICING, REGARDLESS OF THE CIRCUMSTANCES THAT CAUSED THE OVER USAGE TO OCCUR.

Unlimited data plans are excluded from pooling. In the event location(s) within an ownership group have both limited plans for some locations and unlimited plans for others, pooling calculations will be performed using only the data plans for locations subscribed to limited plans.

Unless otherwise specified, all Acumera devices utilize a Cat1 cellular modem and throughput is capped at 10Mbps regardless if the device is connected to a 4G or 5G network.

**SIEM Disclaimer.** IF SIEM SERVICES ARE APPLICABLE TO THE AGREEMENT, ACUMERA MAY PERFORM REMEDIATION ACTIONS BASED ON RESPONSES TO CERTAIN THREAT THRESHOLDS AND CONFIGURATIONS PRE-DETERMINED BY ACUMERA AND CUSTOMER. CUSTOMER RECOGNIZES AND ACKNOWLEDGES THAT THREATS ARE CONSTANTLY EVOLVING AND EMERGING, AND WHILE ACUMERA WILL TAKE COMMERCIALY REASONABLE ACTIONS TO MODIFY ITS SOFTWARE AS NECESSARY, THIS SERVICE IS NOT A GUARANTEE OR WARRANTY THAT A SYSTEM CANNOT OR WILL NOT BE BREACHED. ACUMERA SERVICES ARE INTENDED TO BE A COMPONENT OF A BROADER NETWORK SECURITY PLATFORM. FURTHER, ACUMERA DOES NOT GUARANTEE OR WARRANTY THAT THERE WILL NOT BE UNINTENDED CONSEQUENCES RELATED TO REMEDIATION ACTIONS, INCLUDING BUT NOT LIMITED TO TERMINATION OF SYSTEMS, APPLICATIONS OR PROCESSES BELIEVED TO BE MALICIOUS ACTIVITY.

ACUMERA SHALL NOT BE LIABLE FOR CLAIMS BASED ON MODIFICATIONS OR ADAPTATIONS PERFORMED BY ANYONE OTHER THAN ACUMERA OR ITS REPRESENTATIVES. IN ADDITION, ACUMERA SHALL NOT BE LIABLE FOR CLAIMS BASED ON THE FAILURE TO INSTALL, PROPERLY INSTALL, OR RE-INSTALL A SENSOR ON A CUSTOMER ENDPOINT, AS INSTALLATION OF SENSORS IS SOLELY CUSTOMER'S RESPONSIBILITY. FURTHER, ACUMERA SHALL NOT BE LIABLE FOR ANY CLAIMS INCLUDING, BUT NOT LIMITED TO, CLAIMS FOR INFRINGEMENT FOR EQUIPMENT NOT MANUFACTURED BY AND/OR OWNED BY ACUMERA.

**High-Risk Use.** CUSTOMER SHALL NOT USE THE SOFTWARE IN ANY APPLICATION OR SITUATION WHERE A SOFTWARE FAILURE COULD LEAD TO DEATH OR SERIOUS BODILY INJURY OF ANY PERSON, OR TO SEVERE PHYSICAL OR ENVIRONMENTAL DAMAGE ("HIGH RISK ACTIVITIES"). ACUMERA AND ITS LICENSORS SPECIFICALLY DISCLAIM ANY EXPRESS OR IMPLIED WARRANTY OF FITNESS FOR HIGH-RISK ACTIVITIES, AND ACUMERA AND ITS LICENSORS SHALL HAVE NO LIABILITY OF ANY NATURE AS A RESULT OF ANY SUCH USE OF THE SOFTWARE.





The foregoing limitations, exclusions and disclaimers shall apply, regardless of whether the claim for such damages is based in contract, warranty, strict liability, negligence, tort or otherwise. Insofar as applicable law prohibits any limitation herein, the parties agree that such limitation will be automatically modified, but only to the extent so as to make the limitation permitted to the fullest extent possible under such law. The parties agree that the limitations on liabilities set forth herein are agreed allocations or risk constituting in part the consideration for Acumera's provision of Services to Customer, and such limitations will apply notwithstanding the failure of essential purpose of any limited remedy and even if a party has been advised of the possibility of such liabilities.

**Circuit Monitoring and Repair Services.** Acumera will monitor designated end-user data circuits for connectivity. The end-user circuit is defined as the copper or fiber loop from the end user site (excluding any CPE). Upon detecting an outage, Acumera will generate an internal trouble ticket, typically within 6 minutes of detecting the outage. Acumera will provide email notification and attempt to contact the site during normal business hours to conduct local trouble shooting. In general, the process includes verifying power, modem/router light status and power cycling device(s). Note, there are some variables depending on last mile circuit type. If it is determined that there are no issues with the local environment and service has not been restored, Acumera will contact the circuit provider to open a service ticket. The Acumera support group will work with the provider through issue resolution. Certain last mile events will require a provider technician dispatch. When this occurs, it is common for the customer to experience a multi-day outage until the provider can isolate and solve the issue. In the event either party's performance is delayed, prevented, obstructed, or inhibited due to any Act of God, fire, casualty, flood, war, strike, lockout, epidemic, destruction or non-elective shut-down of facilities, riot, insurrection, governmental acts or directives, or any cause beyond either party's reasonable control, Acumera's performance will be excused and there will be no grounds for a declaration of default by either party.

**Installation Appointment Cancellation and Turn-Away Fees.** It is the Customer's responsibility to keep scheduled installation appointments. Remote installation appointment cancellations made less than two (2) business days in advance will result in a \$150 rescheduling fee. On-site Installation appointment cancellations made less than two (2) business days in advance will result in a \$250 rescheduling fee. On-site installation appointments cancelled on the day scheduled for will result in an additional \$75 turn-away fee (\$325 total).

**Expedited Installations.** Acumera's standard turn-around to schedule and complete an installation, once all of the necessary documents and signatures have been completed and provided to Acumera by Customer, is ten (10) business days. Expedited turn-arounds are offered and can be completed in as little as three (3) business days subject to an Expedited Installation fee indicated above. Expedited installations cannot be scheduled until all of the necessary documents and signatures have been completed and provided to Acumera by Customer.

**Remote Installations.** Acumera will provide installation services in one (1) hour windows for CXD installs and two (2) hour windows for Firewall installs. Should the installation take longer than the scheduled window, Customer agrees to pay for any additional time needed to complete an installation at the additional hours fees noted in the schedule above. Additional hour fees are per additional hour billed in hourly increments. Business hour remote installations occur Monday through Friday between 7AM and 7PM EST local time. Extended hour remote installations that occur on weeknights occur Monday through Friday between 7PM and 12AM local time. Extended hour remote installations that occur on weekends occur Saturday and Sunday between 7AM and 5PM EST. The prices for access point, cellular gateway and switch installations assume the installation of these devices occurs at the time of firewall or CXD Installation and exclude any cabling required.

#### **Customer Requirements for Remote Installations:**

- Installations take place during standard business hours (Monday thru Friday 7am to 7pm). Installations outside of standard business hours will be charged the Extended Hours rate indicated above.
- Customer must choose a location for the CXD or Firewall and any other Acumera provided equipment to be installed. Location(s) must be elevated, clean and such that the equipment is unlikely to be damaged due to spills or other misuse. CXD or Firewall location must be in close proximity to the customer's Internet modem/router and other network gear that must be connected to the CXD or Firewall.
- Acumera requests a 2-week lead time from the submission of all required paperwork (CNSAs, SOWs, Work Order, etc.) to ensure proper scheduling and material procurement.
- A list of all business applications must be provided to Acumera prior to installation to ensure the CXD or Firewall is configured properly to allow those applications to function as before.
- Contact information for vendors providing various connected systems (networked) must be provided to Acumera in the event troubleshooting is necessary to restore connectivity or troubleshoot other issues after the firewall installation.
- Customer must provide Acumera installation technician with Login credentials (username and password) for any existing routers, modems or firewalls currently in use at location.
- If a remote installation is to be performed, Customer must have administrative privileges for and access to a PC on the location's existing network.

#### **Remote Installation Scope of Work:**

- Customer will place/mount the CXD, firewall or other equipment (if applicable) in a suitable location (see requirements below), plug it in and connect appropriate patch cables for the Internet modem/router, POS device(s) and other connected systems to the CXD or firewall and vice versa and to patch panel (if any) as necessary for proper security configuration/segmentation.
- If an external wireless access point(s) is to be installed, customer will locate a suitable location and mount the access point(s). Customer will install PoE injector and connect it to cable running to access point(s).
- If an external cellular gateway is provided, the cellular gateway should be mounted on the wall near the firewall and must NOT be placed to rest directly on top of the firewall or any other electronic equipment as connectivity to the cellular network will be unreliable.
- Acumera installation technician will work remotely with on-site customer contact to configure the CXD or firewall.
- Acumera will work with an on-site contact to have them test each application specified for connectivity and to ensure they are functioning as they were prior to the installation of Acumera Services. Acumera is not responsible if applications are not functioning as they were prior to installation if they are not identified by the on-site contact for testing.

#### **Remote Installation Out of Scope Work:**

- Any other work not specifically stated in the Managed Services Installation Options detail above.



- Additional time spent configuring the CXD or firewall to accommodate non-standard configurations will be billed at the appropriate T&M rates. Non-standard configurations include, but are not limited to:
  - Configuring the CXD or firewall to permit access to the cardholder data environment (CDE) by devices that are not dedicated POS terminals.
  - Configuring the CXD or firewall to permit remote access to internal systems such as DVRs, time clocks and other management devices.
  - Configuring or reconfiguring Customer's connected devices such as DVRs, VoIP phones and systems, digital menu boards, printers and other peripherals, etc.
- The set-up of VPNs requested by customer to occur at time of installation. Note: In packages where a site-to-site customer VPN is included, Acumera will set up the VPN at no additional charge, however it typically cannot be done during a standard installation window due to the additional time required and requests to do so will typically result in an additional hour's fee charged.
- Additional time spent due to items outside of Acumera's technician's control will be billed at the appropriate T&M rate.
- Additional time spent where Acumera is required to work with another of Customer's vendors (eg POS provider, ISP, third-party IT company, etc) to troubleshoot or resolve configuration or connectivity issues with other customer equipment or systems.
- All applicable taxes will be added at time of invoicing.

**Acumera will not be responsible for:**

- Circumstances where the installing technician is late but is still able to complete the installation in the allotted timeframe.
- Circumstances where the technician is unable to complete the installation due to issues caused by others (Owner, Operator, Owner/Operator employees or designees, etc.)
- Circumstances where the installing technician is turned away upon arrival or the installation is unable to be completed due to the site's lack of readiness or failure of customer to provide information needed to successfully complete installation.
- Post-install connectivity or access issues associated with Business applications that Acumera was not made aware of prior to installation. Acumera can only configure for and test applications that we are aware of and cannot troubleshoot or resolve issues where contact with another vendor is needed but not provided.

**On-Site Installation.** Acumera provides on-site installation services through partners based on a defined Scope of Work. Acumera charges for these services on a time and materials basis. Acumera will make all commercially reasonable efforts to complete on-site installation work in the duration specified on any Statements of Work. Notwithstanding, Customer acknowledges it may not be possible for Installations to be completed in the time specified or in accordance with Customer expectations due to factors beyond Acumera's control and Customer acknowledges responsibility for paying any and all fees associated with time spent performing on-site installations.

Acumera will provide on-site installation services in one (1) hour windows for CXD installs and two (2) hour windows for Firewall installs. Should the installation take longer than the scheduled window, Customer agrees to pay for any additional time needed to complete an installation at the additional hours fees noted in the schedule above. Additional hour fees are per additional hour billed in hourly increments. Business hour on-site installations occur Monday through Friday between 7AM and 7PM EST. Extended hour on-site installations that occur on weeknights occur Monday through Friday between 7PM and 12AM EST. Extended hour on-site installations that occur on weekends occur Saturday and Sunday between 7AM and 5PM local time EST. The prices for access point, cellular gateway and switch installations assume the installation of these devices occurs at the time of firewall or CXD installation and exclude any cabling required.

**Customer Requirements for On-Site Installations:**

- All requirements listed above for remote installations
- All areas of work to be completed will be accessible to installer with minimal delays.
- On-Site installations take place during standard business hours (Monday thru Friday 7am to 7pm). Installations outside of standard business hours will be charged the Extended Hours On-Site rate indicated above.

**On-Site Installation Scope of Work:**

- On-site technician will work with customer to locate an area in the back office where the Acumera provided equipment (e.g. CXD or firewall) will be placed. Location must be in close proximity to the customer's Internet modem/router and other network gear that must be connected to the CXD or firewall.
- On-site technician will place/mount the CXD or firewall and other equipment, if applicable, in the location determined, plug it in and connect appropriate patch cables for the Internet modem/router, POS device(s) and other connected systems to the CXD or firewall and vice versa and to patch panel (if any) as necessary for proper security configuration/segmentation.
- If an external wireless access point(s) are to be installed, on-site technician will work with customer to locate a suitable location and mount the access point(s). On-site technician will install PoE injector and connect it to cable running to access point.
- On-site technician will work with remote Acumera installation technician to configure the CXD or firewall
- On-site technician does not test business applications following installation. Acumera will work with an on-site location contact to have them test each application specified for connectivity and to ensure they are functioning as they were prior to the CXD or Firewall install. Acumera is not responsible if applications are not functioning as they were prior to installation if they are not identified by the on-site contact for testing.

**On-site Installation Out of Scope Work:** The customer shall negotiate directly with Onsite Engineer/technician for any work that is considered to be out of scope including labor and materials as required. On-site installation work is subject to the conditions noted below:

- Any other work not specifically stated in the On-Site Installation Scope of Work detail above including, but not limited to, cabling services necessary for wireless access points or cellular modems.
- Additional time spent configuring the CXD or firewall to accommodate non-standard configurations will be billed at the appropriate T&M rates. Non-standard configurations include, but are not limited to:
  - Configuring the CXD or firewall to permit access to the cardholder data environment (CDE) by devices that are not dedicated POS terminals.
  - Configuring the CXD or firewall to permit remote access to internal systems such as DVRs, time clocks and other management devices.





- Configuring or reconfiguring Customer's connected devices such as DVRs, VoIP phones and systems, digital menu boards, printers and other peripherals, etc.
- The set-up of VPNs requested by customer to occur at time of installation. Note: In packages where a site-to-site customer VPN is included, Acumera will set up the VPN at no additional charge, however it typically cannot be done during a standard installation window due to the additional time required and requests to do so will typically result in an additional hour's fee charged.
- Cleaning up or rerunning wires beyond the work necessary to connect the CXD or firewall or other Acumera provided equipment to the network and network devices to the CXD or firewall is out of scope and will not be performed.
- Additional time spent where Acumera is required to work with another of Customer's vendors (eg POS provider, ISP, third-party IT company, etc) troubleshoot or resolve configuration or connectivity issues with other customer equipment or systems.
- Any required permit fees will be passed on to the customer at cost plus 20%.
- Delay time due to items outside of Acumera's or Technician's control will be billed at the appropriate T&M rate.
- No physical labor to be completed during the survey visit.
- Any union locations will be billed at the appropriate union T&M rates and marked up 20%.
- Out of scope work / delay time will be handled through a change order process.
- Any required man lifts will be passed on to the customer at cost plus 20%.
- All applicable taxes will be added at time of invoicing.

**Acumera Inc****Customer****By:** \_\_\_\_\_**By:** \_\_\_\_\_**Name:** \_\_\_\_\_**Name:** \_\_\_\_\_**Title:** \_\_\_\_\_**Title:** \_\_\_\_\_**Date:** \_\_\_\_\_**Date:** \_\_\_\_\_

Reviewed by Orders:



## WORK ORDER

This Work Order provides information on a new location or services to be provisioned on behalf of \_\_\_\_\_ ("Customer") and is subject to and made a part of the Master Service Agreement ("MSA") between Customer and Acumera Rigel LLC ("Acumera"), dated \_\_\_\_\_. This Work Order, together with the MSA and any associated Exhibits govern the sale and purchase of the Services described below.

### CUSTOMER INFORMATION

Customer Name (*must match legal entity name on MSA*): \_\_\_\_\_

Customer Address: \_\_\_\_\_

### BILLING INFORMATION

Billing Entity Name: \_\_\_\_\_

Billing Address Same as (check one): ☐ Customer Address ☐ Installation Location Address

Billing Address: \_\_\_\_\_

Transaction Authorization Agreement Form is (check one): ☐ Attached ☐ On File

### INSTALLATION LOCATION INFORMATION

Common Business Name: \_\_\_\_\_ Store / Unit Number: \_\_\_\_\_

Installation Location Phone: \_\_\_\_\_ Order Type: \_\_\_\_\_

**Merchant ID Number** (*required for enrollment in Data Breach Financial Protection Program (DBFPP). Locations will not be enrolled in the program if a valid MID number for each is not provided*): \_\_\_\_\_

Installation Address is same as: ☐ Customer Address

Installation Address: \_\_\_\_\_

### SHIPPING INFORMATION (*Required. Where Acumera will ship equipment*)

Ship-To Address Same as (check one): ☐ Customer Address ☐ Billing Address ☐ Installation Location Address

To Attention of: \_\_\_\_\_ Phone: \_\_\_\_\_

Alternative Address: \_\_\_\_\_

Special Instructions: \_\_\_\_\_



## WORK ORDER

### CONTACT INFORMATION

It is imperative that the appropriate people be designated with the permissions necessary to install, support, and authorize changes to Acumera services at this location(s). Due to data security best practices, Acumera is only able to modify or grant permissions if the requestor is an Administrator for the Customer location. Administrators may grant Admin access to others.

- **Password Delivery.** Acumera verifies the identity of users by sending them an authentication code via SMS text to their cell phone and/ or via email to their email address. Acumera also sends a One-time Password ("OTP") to users via SMS text or email when they attempt to log in to a Acumera portal. This OTP needs to be entered on the portal to complete the login.
- **Reseller** indicates that the contact is an employee of or contractor to the company that is selling Acumera services to this location.
- **Employed by Owner** indicates that the contact either owns the business that operates this location or is employed by the owner.
- **Third Party** indicates that this contact is not a Reseller or Owner and has some other affiliation to this location.

### Description of Permissions:

| Role/Permission                             | Description   |
|---|---|
| Admin                                       | Grants user permission to authorize all changes to the account and its associated Managed Firewall & Orchestrator portal, hardware, features, and contacts. <b>THERE MUST BE ONE ADMIN CONTACT PER LOCATION.</b>  |
| Support                                     | Enables the user to receive alerts and grants the user permission to 1) be given sensitive network information 2) to authorize the addition of Rogue Devices to the firewall's Baseline and 3) Activates alerts to be emailed to the contact.   |
| Installation Coordinator                    | Person authorized to work with Acumera to coordinate the equipment installation. <b>THERE MUST BE ONE INSTALLATION COORDINATOR PER LOCATION.</b>  |
| Remote Access                               | If you purchased Secure Remote Access, you must select Remote Access permission for each contact that will use this service. Grants user Remote Access to any enabled machines. N/A for BranchSDO SD-Branch   |
| Sensor Download                             | If you purchased our Advanced Threat Protection Sensor download service you must designate a contact to receive an email with a link and instructions to install the ATP sensors on the devices for this Location.  |
| Advanced Threat Protection (ATP)            | If you purchased ATP, grant user permissions to receive email reports and alerts and access the Advanced Threat Protection portal and device log files. If you subscribe to SIEM at Edge then you will also receive critical notifications via phone call.  |
| FIM Sensor and Portal                       | If you purchased the File Integrity Monitoring (FIM) service, you must designate at least one contact who will receive the email with the link and instructions to install the FIM sensors and have access to the FIM portal.   |
| Primary PCI                                 | If you purchased a PCI package, you must designate a single contact as the Primary PCI Contact. The Primary PCI Contact will be 1) responsible for managing the Self-Assessment Questionnaire (SAQ) and external vulnerability scanning 2) will receive compliance alerts via email 3) will be granted access to the PCI Compliance Manager Portal to access SAQ tools and scan results. <b>THERE CAN ONLY BE ONE PCI CONTACT PER LOCATION.</b> |
| Read-only PCI                               | Will be granted read-only access to the compliance portal to view SAQ and ASV Scan results, but will not be able to edit any items or receive alerts.   |
| Cellular usage alerts                       | Enables the user to receive alerts associated with LTE usage for each location (Maximum 2 contacts)   |
| <b>BranchSDO Orchestrator/Portal Access</b> |   |
| BranchSDO Portal                            | Grants user <b>READ-ONLY</b> access to BranchSDO Orchestrator portal, for hardware, features, and site visibility.  |
| BranchSDO Alerts                            | Enables the user to receive alerts associated with BranchSDO events.  |

### CONTACT 1

Name: \_\_\_\_\_ Title: \_\_\_\_\_

Email: \_\_\_\_\_ Office Phone: \_\_\_\_\_

Cell Phone: \_\_\_\_\_ Carrier: \_\_\_\_\_

Affiliation with Location: ☐ Reseller ☐ Owner or Owner Employee ☐ Third Party

Password Delivery: ☐ SMS Text ☐ Email

Permissions/Role (check all required for contact):

- |   |  |  |
|---|--|--|
| <input type="checkbox"/> Admin (must be one per location)                   | <input type="checkbox"/> Support                     | <input type="checkbox"/> Installation Coordinator (must be one per location) |
| <input type="checkbox"/> Primary PCI Contact (can only be one per location) | <input type="checkbox"/> Read-only PCI Contact       | <input type="checkbox"/> Remote Access.                                      |
| <input type="checkbox"/> BranchSDO Alerts                                   | <input type="checkbox"/> Sensor Download             | <input type="checkbox"/> BranchSDO Portal Access                             |
| <input type="checkbox"/> Advanced Threat Protection                         | <input type="checkbox"/> FIM Sensor and Portal       | <input type="checkbox"/> Cellular Usage Alerts                               |
| <input type="checkbox"/> Primary WAN Offline                                | <input type="checkbox"/> LTE Offline                 | <input type="checkbox"/> CXD Offline   |
| <input type="checkbox"/> VPN/NGFW Offline                                   | <input type="checkbox"/> LTE Usage Threshold Reached | Select threshold _____   |



## WORK ORDER

### CONTACT 2

Name: \_\_\_\_\_ Title: \_\_\_\_\_

Email: \_\_\_\_\_ Office Phone: \_\_\_\_\_

Cell Phone: \_\_\_\_\_ Carrier: \_\_\_\_\_

Affiliation with Location: ☐ Reseller ☐ Owner or Owner Employee ☐ Third Party

Password Delivery: ☐ SMS Text ☐ Email

Permissions/Role (*check all required for contact*):

- |  |  |   |
|--|--|---|
| <input type="checkbox"/> Admin ( <i>must be one per location</i> )                   | <input type="checkbox"/> Support                     | <input type="checkbox"/> Installation Coordinator ( <i>must be one per location</i> ) |
| <input type="checkbox"/> Primary PCI Contact ( <i>can only be one per location</i> ) | <input type="checkbox"/> Read-only PCI Contact       | <input type="checkbox"/> Remote Access.   |
| <input type="checkbox"/> BranchSDO Alerts  | <input type="checkbox"/> Sensor Download             | <input type="checkbox"/> BranchSDO Portal Access                                      |
| <input type="checkbox"/> Advanced Threat Protection                                  | <input type="checkbox"/> FIM Sensor and Portal       | <input type="checkbox"/> Cellular Usage Alerts  |
| <input type="checkbox"/> Primary WAN Offline   | <input type="checkbox"/> LTE Offline                 | <input type="checkbox"/> CXD Offline  |
| <input type="checkbox"/> VPN/NGFW Offline  | <input type="checkbox"/> LTE Usage Threshold Reached | Select threshold _____  |

Technical or other notes:

### ACKNOWLEDGEMENT

Customer submits this work order and acknowledges the following terms:

1. Providing the information requested on this Work Order accurately and completely is critical for Acumera to successfully perform the installation and configuration of our services. Information that is inaccurate or missing will likely result in delays installing Acumera services and will likely cause greater business disruption during and after the installation.
2. Customer locations subscribing to a Acumera Service that includes the Data Breach Financial Protection Program (DBFPP) must provide Acumera with a valid merchant ID number ("MID") for each Customer location to facilitate enrollment of that location in the Program. It is the Customer's obligation to provide MID numbers to Acumera for each location and Customer understands that locations will not be enrolled in the program if a valid MID number is not provided. Customer further understands that locations that do not subscribe to a Acumera service that includes the DBFPP are not eligible for enrollment in the Program.
3. It is the Customer's responsibility to keep scheduled installation appointments. Remote installation appointment cancellations made less than two (2) business days in advance WILL result in a \$150 rescheduling fee. On-site Installation appointment cancellations made less than two (2) business days in advance WILL result in a \$250 rescheduling fee.
4. Acumera will only grant portal access to or communicate with persons specified as authorized contacts or who have been added as a Contact by an authorized Admin Contact. Each Contact will only be allowed the permissions that are designated for them.
5. Customer is responsible for review and download of scans through Acumera self-service portals as needed.
6. Distribution of scans to appropriate parties is the responsibility of the Customer at their discretion.
7. If Internet connectivity is not a terrestrial high-speed always on standard DSL, fiber, broadband, or dedicated circuit (i.e. T1 or similar), Acumera services may not perform optimally. Acumera does not manage your Internet circuit. Unless you subscribe to our "Circuit Monitoring and Resolution" services Acumera is not able to repair or engage your Internet service provider to assist you with repairs.

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Reviewed by Orders team:

## PARTICIPATION AGREEMENT

This Participation Agreement (the “**Agreement**”) is entered into on \_\_\_\_\_, between the customer named on the signature page of this Agreement (“**Customer**”) and Cineplex Digital Media Inc., successor to EK3 Technologies Inc. (“**Vendor**”), pursuant to that certain Master Service Agreement and Software License dated December 16, 2015, as amended (the “**MSA**”), between Vendor and American Dairy Queen Corporation (“**ADQ**”). Pursuant to the MSA, ADQ has engaged Vendor to provide to Participating Sites (as defined in the MSA), certain services relating to the ADQ interior digital menu board signage program (the “**DMB Program**”). All capitalized terms used in this Agreement have the definitions given to them in the MSA unless otherwise defined herein.

In consideration of the mutual covenants herein contained and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged), the parties covenant and agree as follows:

1. Vendor shall provide the Services to operate the DMB Program at the Customer’s Participating Site.
2. Customer shall pay the fees set forth in Schedule A attached hereto in the manner set forth therein. To activate the commencement of the Services, Customer shall deliver an executed copy of this Agreement to Vendor, together with payment of the total fees for Equipment and Installation and one year’s worth of monthly Services for the Participating Site, on a pro-rated basis for the remainder of the calendar year. Vendor will then invoice the Customer for the annual Service fees for the following year on or before the start of the next calendar year, or date to be determined by Vendor in its sole discretion, and Customer shall pay such amounts within thirty (30) days of receipt of the invoice. If Vendor changes its billing practice from billing on the anniversary of the Installation Date to a fixed date or other payment cycle, it shall provide Customer with at least sixty (60) days prior written notice. If Customer’s total annual fees are greater than \$300, and Customer pays the total balance owing in advance of the due date will receive a 2% discount off their total annual fees.
3. Customer acknowledges and agrees that the Service fees are non-refundable in the event the franchise is sold or assigned, and that all paid-up Service fees will be transferred to the new owner once this Agreement has been successfully assigned. Service fees will be refunded on a pro-rata basis in the event that a store closes.
4. For Participating Sites in Canada, CDN will use an US/Canadian exchange rate of 1.21 (\$100 USD = \$121 CDN). The exchange rate shall be reviewed quarterly against the rate set by the Bank of Canada, and the fees will be adjusted if the rate is five points above or below the exchange rate set out above. CDN will provide thirty (30) days prior written notice of any fee adjustments.

5. This Agreement begins when fully executed by both Customer and Vendor, and continues for a period of five (5) years, unless earlier termination of this Agreement or the expiration or termination of the MSA. Customer may terminate this Agreement for convenience, upon thirty (30) days written notice to CDM. In the event Customer terminates this Agreement for convenience, CDM will refund, on a pro-rated basis, any fees previously paid for services that have not been delivered as of the date of termination of this Participation Agreement. In the event of termination by Customer, Customer shall reimburse Vendor for any warranties that were paid in advance on behalf of Customer on a pro-rated basis from the amount paid by Customer prior to the date of termination (this amount will be provided by Vendor to Customer when notice of termination is given to Vendor).
6. Vendor will use all commercially reasonable efforts to make the Subscription Services available 24/7/365, except for (a) planned maintenance; (b) any unavailability caused by circumstances described in Section 8 below; or (c) any unavailability caused by any failure on the part of ADQ, Customer or any other person (other than Vendor and its contractors). Customer shall make all requests for support or assistance to the Help Desk.
7. In order for Vendor to perform its Help Desk Services in an effective and efficient manner, and to help ensure minimal incidents with the Equipment and Digital Signage Network, Customer is responsible for the following at the Participating Site:
  - a) Following the installation of any Equipment, ensuring the proper and ongoing operation of the Equipment on a 24/7 basis, including ensuring Equipment is properly plugged into an appropriate surge protector and power source and that the power is turned on, and ensuring that each Media Player and Display, where applicable, is connected to the Internet and the Media Players are connected to the Display at all times, as well as paying all third party costs associated with such power and connectivity.
  - b) Ensuring and/or verifying at the request of a Help Desk service representative that the hardware/appliance components of the equipment interfacing with or connecting to the Subscription Services are turned on and have a functioning power source in a timely manner.
  - c) Ensuring and/or verifying that all Customer-provided Internet services at the Participating Location are fully functional, and if not, engaging its Internet Service Provider to resolve the issue.
  - d) Power cycling any of the DMB Program equipment upon request by Vendor's Help Desk.
  - e) Co-operating with Vendor or its representatives, including Level 1 Help Desk service representatives, on a timely basis to help ensure that the Subscription Services, Equipment and Digital Signage Network are functioning to the best of

their capacity, including the provision of relevant information and completion of rudimentary tasks as reasonably requested by the Level 1 Help Desk service representative. Customer will ensure that any dispatched technician to the Participating Site is provided with immediate access to the equipment interfacing with or connecting to the Subscription Services and is otherwise provided with such assistance or resources as they might reasonably request.

- f) Routine cleaning and aesthetic maintenance of all Equipment, including the removal of dust, grime or dirt using a non-abrasive cleaning agent, and the replacement of Media Player filters if and when required.
  - g) Complying with all operating, maintenance and other instruction or best practices contained in documentation, including any Equipment user manual or otherwise made known to them.
8. Customer will be charged additional fees of one hundred fifty U.S. dollars (US\$150) per hour for any work Vendor Support Team performs on non-Eligible Incidents. Customer will be charged additional fees of one hundred fifty U.S. dollars (US\$150) per hour for any work Vendor Support Team performs on equipment not purchased through Vendor. Customer will be charged additional fees of one hundred fifty U.S. dollars (US\$150) per hour for any work Vendor Support Team performs on equipment purchased through Vendor but whose warranty has expired.
9. Neither Vendor nor its contractors will be liable to Customer for failure or delay in fulfilling any of its obligations if that failure or delay is attributable to circumstances beyond its reasonable control, including any act of God, fire, labour dispute or government measure.
10. The Subscription Services and the software comprised therein constitute Vendor's valuable intellectual property. Customer agrees not to sell, share, distribute, or transfer the Subscription Services or the software comprised therein or any copies thereof to or with any person in any manner. Customer also agrees not to attempt to copy, reverse engineer or decompile the software comprised in Subscription Services in any way.
11. Any non-public information pertaining to Customer or Vendor, which comes into the other's possession will be held in confidence and not used for any purpose unrelated to this Agreement.
12. Vendor will indemnify Customer against any claim by a third party that the Subscription Services or Software infringe the intellectual property rights of that third party and for any damages, costs and expenses (including reasonable attorney fees) attributable to Vendor's gross negligence or willful misconduct in performing services under this Participation Agreement.

13. Customer will indemnify Vendor and its affiliated and subsidiary companies and their respective officers, directors, employees, agents, suppliers, successors and assignees from and against any and all third party claims and the damages, losses, fines, penalties, costs, and other amounts (including reasonable attorneys' fees actually incurred) arising from or in connection with any actual or threatened third party claim, demand, investigation or cause of action (each, a "Claim") arising from or relating to bodily injury (including death) or damage to or loss of any tangible property unless caused by the acts, negligence, or Omissions of the Vendor, its employees, contractors, representatives or those for whom it is responsible at law.
14. Customer shall maintain at its own sole expense throughout the Term of this Participation Agreement a comprehensive general liability insurance policy with minimum coverage of at least one million dollars (\$1,000,000) per occurrence and at least two million dollars (\$2,000,000) in the aggregate, covering bodily and personal injury, including death, and property damage. Such coverage shall cover Vendor as an additional insured. Customer will provide copies of all insurance policies evidencing such coverage to the Vendor upon request. Customer's failure to maintain the required insurance coverage shall constitute a material breach of this Agreement.
15. If Customer breaches any of the Customer's obligations under this Agreement, Vendor may suspend or terminate the Customer's right to access and use the Subscription Services and software.
16. Customer may not assign any of Customer's rights or obligations under this Agreement to any person without the prior written consent of Vendor.
17. Customer agrees that all terms and conditions described in this Agreement are binding and will therefore abide to its provisions.

The parties have executed this Agreement on the date first written above.

|   |                                   |   |                 |
|---|-----------------------------------|---|-----------------|
| <b>CINEPLEX DIGITAL MEDIA INC.</b><br><b>X</b> <u>Jessica Larue</u> |                                   | <b>CUSTOMER NAME:</b><br><b>X</b> _____         |                 |
| Per:  |                                   | Per:  |                 |
|   | Name: Jessica Larue               |   | Name:           |
|   | Title: Director, Account Services |   | Title:          |
| Per:  |                                   | Per:  |                 |
|   | Name:<br>Title:                   |   | Name:<br>Title: |
| I/We have the authority to bind the corporation                     |                                   | I/We have the authority to bind the corporation |                 |



**SCHEDULE A**  
**TO THE PARTICIPATION AGREEMENT**  
***FEES***

|                   | 2024<br>FLEX ME<br>USD | 2025<br>FLEX ME<br>USD   | 2026<br>FLEX ME<br>USD   | 2024<br>FLEX Fusion SOC<br>USD | 2025<br>FLEX Fusion SOC<br>USD | 2026<br>FLEX Fusion SOC<br>USD |
|-------------------|------------------------|--------------------------|--------------------------|--------------------------------|--------------------------------|--------------------------------|
|                   | 3% Increase            | 3% Increase each<br>year | 3% Increase each<br>year | 3% Increase                    | 3% Increase each<br>year       | 3% Increase each<br>year       |
| <b>1 Displays</b> |                        |                          |                          |                                |                                |                                |
| Total Monthly     | \$ 54.11               | \$ 55.73                 | \$ 57.40                 | \$ 22.29                       | \$ 22.96                       | \$ 23.65                       |
| Annual Total      | \$ 649.27              | \$ 668.75                | \$ 688.81                | \$ 267.47                      | \$ 275.49                      | \$ 283.76                      |
| <b>2 Displays</b> |                        |                          |                          |                                |                                |                                |
| Total Monthly     | \$ 99.29               | \$ 102.27                | \$ 105.34                | \$ 44.58                       | \$ 45.92                       | \$ 47.29                       |
| Annual Total      | \$ 1,191.50            | \$ 1,227.25              | \$ 1,264.07              | \$ 534.94                      | \$ 550.99                      | \$ 567.52                      |
| <b>3 Displays</b> |                        |                          |                          |                                |                                |                                |
| Total Monthly     | \$ 102.28              | \$ 105.35                | \$ 108.51                | \$ 66.87                       | \$ 68.87                       | \$ 70.94                       |
| Annual Total      | \$ 1,227.35            | \$ 1,264.17              | \$ 1,302.09              | \$ 802.41                      | \$ 826.48                      | \$ 851.28                      |
| <b>4 Displays</b> |                        |                          |                          |                                |                                |                                |
| Total Monthly     | \$ 105.27              | \$ 108.42                | \$ 111.68                | \$ 89.16                       | \$ 91.83                       | \$ 94.59                       |
| Annual Total      | \$ 1,263.19            | \$ 1,301.09              | \$ 1,340.12              | \$ 1,069.88                    | \$ 1,101.98                    | \$ 1,135.04                    |
| <b>5 Displays</b> |                        |                          |                          |                                |                                |                                |
| Total Monthly     | \$ 108.20              | \$ 111.45                | \$ 114.79                | \$ 111.45                      | \$ 114.79                      | \$ 118.23                      |
| Annual Total      | \$ 1,298.42            | \$ 1,337.37              | \$ 1,377.49              | \$ 1,337.35                    | \$ 1,377.47                    | \$ 1,418.80                    |
| <b>6 Displays</b> |                        |                          |                          |                                |                                |                                |
| Total Monthly     | \$ 111.18              | \$ 114.51                | \$ 117.95                | \$ 133.74                      | \$ 137.75                      | \$ 141.88                      |
| Annual Total      | \$ 1,334.14            | \$ 1,374.16              | \$ 1,415.39              | \$ 1,604.82                    | \$ 1,652.97                    | \$ 1,702.56                    |
| <b>7 Displays</b> |                        |                          |                          |                                |                                |                                |
| Total Monthly     | \$ 114.21              | \$ 117.63                | \$ 121.16                | \$ 156.02                      | \$ 160.71                      | \$ 165.53                      |
| Annual Total      | \$ 1,370.48            | \$ 1,411.59              | \$ 1,453.94              | \$ 1,872.29                    | \$ 1,928.46                    | \$ 1,986.32                    |

|               | 2024<br>FLEX ME<br>CAD | 2025<br>FLEX ME<br>CAD   | 2026<br>FLEX ME<br>CAD   | 2024<br>FLEX Fusion SOC<br>CAD | 2025<br>FLEX Fusion SOC<br>CAD | 2026<br>FLEX Fusion SOC<br>CAD |
|---------------|------------------------|--------------------------|--------------------------|--------------------------------|--------------------------------|--------------------------------|
|               | 3% Increase            | 3% Increase each<br>year | 3% Increase each<br>year | 3% Increase                    | 3% Increase each<br>year       | 3% Increase each<br>year       |
| 1 Display     |                        |                          |                          |                                |                                |                                |
| Total Monthly | \$ 68.17               | \$ 70.21                 | \$ 72.32                 | \$ 31.20                       | \$ 32.13                       | \$ 33.10                       |
| Annual Total  | \$ 817.98              | \$ 842.52                | \$ 867.80                | \$ 374.38                      | \$ 385.62                      | \$ 397.18                      |
| 2 Displays    |                        |                          |                          |                                |                                |                                |
| Total Monthly | \$ 123.50              | \$ 127.20                | \$ 131.02                | \$ 62.40                       | \$ 64.27                       | \$ 66.20                       |
| Annual Total  | \$ 1,481.96            | \$ 1,526.42              | \$ 1,572.22              | \$ 748.77                      | \$ 771.23                      | \$ 794.37                      |
| 3 Displays    |                        |                          |                          |                                |                                |                                |
| Total Monthly | \$ 128.02              | \$ 131.86                | \$ 135.82                | \$ 93.60                       | \$ 96.40                       | \$ 99.30                       |
| Annual Total  | \$ 1,536.22            | \$ 1,582.31              | \$ 1,629.78              | \$ 1,123.25                    | \$ 1,156.85                    | \$ 1,191.55                    |
| 4 Displays    |                        |                          |                          |                                |                                |                                |
| Total Monthly | \$ 131.35              | \$ 135.29                | \$ 139.34                | \$ 124.79                      | \$ 128.54                      | \$ 132.39                      |
| Annual Total  | \$ 1,576.15            | \$ 1,623.43              | \$ 1,672.13              | \$ 1,497.54                    | \$ 1,542.46                    | \$ 1,588.74                    |
| 5 Displays    |                        |                          |                          |                                |                                |                                |
| Total Monthly | \$ 135.29              | \$ 139.35                | \$ 143.53                | \$ 155.99                      | \$ 160.67                      | \$ 165.49                      |
| Annual Total  | \$ 1,623.49            | \$ 1,672.19              | \$ 1,722.36              | \$ 1,871.92                    | \$ 1,928.08                    | \$ 1,985.92                    |
| 6 Displays    |                        |                          |                          |                                |                                |                                |
| Total Monthly | \$ 139.11              | \$ 143.29                | \$ 147.58                | \$ 187.19                      | \$ 192.81                      | \$ 198.59                      |
| Annual Total  | \$ 1,669.34            | \$ 1,719.42              | \$ 1,771.00              | \$ 2,246.31                    | \$ 2,313.70                    | \$ 2,383.11                    |
| 7 Displays    |                        |                          |                          |                                |                                |                                |
| Total Monthly | \$ 143.19              | \$ 147.49                | \$ 151.91                | \$ 218.39                      | \$ 224.94                      | \$ 231.69                      |
| Annual Total  | \$ 1,718.29            | \$ 1,769.84              | \$ 1,822.93              | \$ 2,620.69                    | \$ 2,699.31                    | \$ 2,780.29                    |

**EXHIBIT F**

Design Services Agreement



## AMERICAN DAIRY QUEEN CORPORATION DESIGN SERVICES AGREEMENT

LICENSEE: \_\_\_\_\_  
ADDRESS: \_\_\_\_\_ DATE: \_\_\_\_\_  
CITY/STATE: \_\_\_\_\_ STORE #: \_\_\_\_\_  
PHONE: (C) \_\_\_\_\_ (H) \_\_\_\_\_

For a base fee of **\$3,000.00** (which is included in the initial new store fee for NRD/ARD licensees that have signed a new operating agreement and paid the full initial new store franchise fee), American Dairy Queen Corporation ("ADQ") shall provide for use by Licensee **FREESTANDING NEW RESTAURANT/PROTOTYPICAL DESIGN INTENT PLANS** in the form of electronically transferred plan files ("Plans"), which are to be used by the Licensee's consultants to prepare construction documents for bidding and construction use for a DQ Grill & Chill® restaurant or DQ® Treat store located at the following Authorized Location:

STREET: \_\_\_\_\_  
CITY/STATE: \_\_\_\_\_

**IMPORTANT:** All Plans are and shall remain the property of ADQ. Plans are issued for use at the above address only. Any reproduction, use, or disclosure thereof to unauthorized persons or for any location other than that listed above is prohibited without the written consent of ADQ and subsequent purchase of plans for the proposed new location. Licensee (or its assigns) agrees to pay ADQ \$10,000.00 for each unauthorized use of the Plans.

Licensee must include the following language in any agreement with any contractor, architect, or other individuals doing work on the above-indicated store:

"The Prototypical Design Intent Plans" provided are the property of ADQ. Use of the plans and specifications is limited to the restaurant/store for which work is being contracted. The undersigned and its assigns agree to pay ADQ \$10,000.00 for each reproduction, use or disclosure thereof to unauthorized persons."

### 1. BUILDING DATA

| A. Development Type                        | B. Building Type (check all applicable)  |
|--|--|
| <input type="checkbox"/> NRD               | <input type="checkbox"/> GC Core 34 (Food) <input type="checkbox"/> Breakfast (Food) |
| <input type="checkbox"/> ARD               | <input type="checkbox"/> GC Core 46 (Food) <input type="checkbox"/> Mirror           |
| <input type="checkbox"/> Relocation        | <input type="checkbox"/> DQ/OJ Core 36 (Treat) <input type="checkbox"/> Texas (Food) |
| <input type="checkbox"/> Replacement       |  |
| <input type="checkbox"/> Development Right |  |

C. Send electronic HUB File download information to:

E-Mail Address: \_\_\_\_\_

2. CODE COMPLIANCE

- A. All Plans provided by ADQ are subject to final review and approval by the developer and/or landlord as well as the local building officials for Licensee's restaurant/store location.
- B. The Plans provided by ADQ are per Minnesota code and may not comply with specific state and local requirements throughout the country. IT IS THE LICENSEE'S RESPONSIBILITY TO VERIFY THE COMPLIANCE OF THESE PLANS WITH LOCAL, STATE AND FEDERAL LAWS AND BUILDING CODE REQUIREMENTS AND TO REVISE THE PLANS ACCORDINGLY. THE COST TO REVISE SUCH PLANS IS TO BE BORNE BY THE LICENSEE.
- C. Under the Americans with Disabilities Act ("Act"), certain handicap accessibility requirements are placed on any "person" who owns, leases, leases to, or operates a place of public accommodation. As an owner, lessor, or operator of a restaurant, ADQ Licensees are liable for failures to accommodate disabled people as provided for in the Act. While ADQ employs its best efforts to see that all plans prepared by it comply with the ADA Accessibility Guidelines, it is not an insurer of and does not guarantee compliance, and cannot be responsible for failures by Licensees, their architects, or their contractors to construct buildings that comply with the Act. Consequently, you are advised to seek your own legal counsel in regard to ADA Accessibility Compliance and to ensure that the contractors with whom you work are aware, knowledgeable about, and committed to producing buildings in compliance with the Act.

3. The purpose of the Plans is to establish the design and construction standards for the prototype building. These Plans identify the brand image, design components and DQ® standards required and include:

- A. Site design/Photometrics
- B. Equipment layout and specifications
- C. Exterior and interior building finishes
- D. Exterior and interior details
- E. Exterior Signage
- F. Structural drawings to be utilized for establishing structural component sizes and spans.
- G. Mechanical design
- H. Electrical design
- I. Plumbing design

4. It is the responsibility of the Licensee and its licensed professionals to determine the most appropriate building structural system for the selected site. The Plans specify wood

construction, however, an alternative system may be utilized that does not alter the building image and brand identity.

5. OWNERSHIP AND MODIFICATIONS TO THE PLANS--If the Plans are modified by anyone other than ADQ, Licensee shall submit a copy of the modified plans to ADQ for review and written approval. Construction of a modified building shall not commence without plan approval from ADQ. ADQ must approve in writing any proposed alteration to previously approved building plans, including those ADQ or designee prepares. Further, if your local architect makes revisions to ADQ Plans, these revisions shall become the property of ADQ, and ADQ has the right to use those plans in any manner in the future.
6. EXPIRATION OF PLANS-- Plans provided by ADQ are valid for six months from the date of issuance. After the six-month time period, Plans will no longer be valid unless Licensee has obtained a written extension from ADQ.
7. ACKNOWLEDGMENT OF LICENSEE'S CONSTRUCTION RESPONSIBILITIES--See attached Exhibit "A."
8. TO PROCEED, you must first sign this agreement and the attached Non-Disclosure Letter, and send them to:

AMERICAN DAIRY QUEEN CORPORATION  
Attn: Architecture/Construction Dept.  
8000 Tower, Suite 700  
8331 Norman Center Drive  
BLOOMINGTON, MINNESOTA 55437

Unless your store is a new ARD or NRD restaurant for which you paid the full, applicable initial franchisee fee, you must include a check made payable to "American Dairy Queen Corporation" for payment of the base fee of \$3,000.00 indicated above.

9. LIABILITY AND INDEMNIFICATION--Licensee waives all claims against ADQ for damages to property or injuries to persons arising out of the design and/or construction of Licensee's building pursuant to this Agreement or in any way relating to the Plans or this Agreement. Licensee must fully protect, indemnify and defend ADQ and its affiliates and hold them harmless from and against any and all claims, demands, damages, and liabilities of any nature whatsoever arising in any manner, directly or indirectly, out of, in connection with, or incident to the Plans, the franchised location, this Agreement (regardless of cause or any concurrent or contributing fault or negligence of ADQ) or any breach or failure to comply with this Agreement.
10. INSURANCE--Licensee must purchase and maintain at its own expense liability insurance in an amount equal to the greater of (a) \$2,000,000 per occurrence or a higher amount that ADQ may in the future require of similarly situated Licensees, (b) the amount the lessor of the Restaurant premises may require or (c) the amount required under Licensee's operating

agreement for the location. The insurance coverage must start no later than the date Licensee begins construction. Licensee must deliver to ADQ a certificate of insurance and additional insured and other endorsements showing compliance with this section. The insurance coverage must:

- A. Insure Licensee, ADQ, ADQ's affiliates and any other person or entity designated by ADQ by name from liability for any and all such damage and injury;
- B. Be written with a company rated no less than "A" by AM Best Insurance Rating;
- C. Name ADQ and its affiliates as an additional insured; and
- D. Provide that ADQ will be given 30 days' prior written notice of material change in or termination or cancellation of the policy.

ADQ does not represent or warrant that any insurance that Licensee is required to purchase will provide adequate coverage for Licensee. The requirements of insurance specified in this Agreement are for ADQ's protection. Licensee should consult with its own insurance agents, brokers, attorneys and other insurance advisors to determine the level of insurance protection it needs and desires, in addition to the coverage and limits required by ADQ.

- 11. **DISCLAIMER**--ADQ makes no warranty or representation regarding the Plans or any services or workmanship undertaken pursuant to those Plans. It is essential that Licensee performs its own due diligence to determine whether architects, contractors, and others are qualified and right for the needs of the project. It is Licensee's sole responsibility to ensure that it complies with all applicable federal, state, and local laws, codes and regulations.

**LICENSEE**

**BY:**

\_\_\_\_\_

Date \_\_\_\_\_

**AMERICAN DAIRY QUEEN CORPORATION**

**BY:**

\_\_\_\_\_

Date \_\_\_\_\_

## EXHIBIT "A"

### ACKNOWLEDGMENT OF LICENSEE'S CONSTRUCTION RESPONSIBILITIES

#### GENERAL

1. ENVIRONMENTAL SURVEYS/SOILS TESTING--It is the sole responsibility of Licensee to perform all environmental surveys of the property, including soils tests, and ADQ expressly disclaims any responsibility or liability for the environmental surveys. Soils tests shall include recommendations on building footings, foundation, and parking lot construction. It is STRONGLY recommended by ADQ that a qualified expert perform any tests prior to the purchase or lease of any property.
2. SITE INFORMATION--If a site feasibility drawing was prepared by ADQ for the location, its intent is to show, on a preliminary basis only, the relationship of the building and parking lot within the site. It is not a construction document but rather a guide for a civil engineer. Licensee should contract with a civil engineer to prepare drawings for the location. These drawings should include, but are not limited to:
  - A. Topography and boundary survey
  - B. Drainage/water retention plan
  - C. Final site and grading plan setting building floor slab elevation
  - D. Utilities connections from the building to sources off site
  - E. Site details (i.e., curb detail, parking lot section, culvert/ drain details, etc.)

#### BIDDING THE PROJECT

1. It is recommended that Licensee secure at least three bids from qualified, licensed contractors for the project. The contractors should submit an A.I.A. document A305-Contractor's Qualification Statement with their bid. This will provide background information on the contractor.
2. Items required by the contractors to bid the project include the drawings, specifications, owner supplied civil drawings, and a copy of the soils report.
3. It is ADQ's recommendation that Licensee require the bidding contractors to include in their bids to Licensee a performance bond equal in price to that of the proposed contract sum. This requirement should be made known to the bidding contractors at the time of letting the project out for bid.



## SITE WORK

1. A provision has been made within the drawings for landscaping. It is recommended that Licensee contract with a local landscape architect to prepare the drawings and incorporate them into the site drawings. This should be a part of the general contractor's price, and Licensee should ensure contractors provide bids for this work.
2. Site lighting is indicated on the site feasibility plan. Refer to the plan electrical sheets for exact specifications of light fixtures. Verify local code requirements for specific lighting regulations.
3. The trash enclosure matches the aesthetics of the building. Licensee should inform the site engineer so that a detail can be provided within the site documents.
4. If Licensee is contemplating an underground sprinkler system in the future, a 4" PVC pipe should be laid underneath the drive aisles adjacent to landscape areas to facilitate waterlines without trenching the new paving.

## BUILDING PLANS

1. No provision has been made for a floor safe. If one is desired by Licensee, he/she needs to inform the contractors at bid letting.
2. The footing and foundation depths on the drawings are illustrative only. Foundation requirements are to be made on a site specific basis and are dependent on local codes, ordinances and soils test results.
3. If a washer and dryer will be used in the building, electrical and plumbing connections need to be provided. Licensee should communicate this requirement to contractors prior to bidding.
4. The HVAC units on the roof are sized based on design load calculations and an average yearly temperature in the state of Minnesota. Heat loss/heat gain calculations need to be made by a mechanical engineer taking into consideration design load at the store location. The size of the unit may have to be adjusted. The need for a heat loss/gain calculation should be brought to the attention of the bidding contractors.
5. If a fireplace for the interior or exterior is to be installed (upon approval by ADQ) all specifications must comply with governing codes and regulations including safety protections from heat.

## LICENSEE SUPPLIED ITEMS

1. There are several building components Licensee is to provide to the general contractor, which Licensee can purchase through N. Wasserstrom & Sons or its designee. Because of long lead time requirements, it is essential that Licensee order these items prior to ground break so as to not impede construction. These items may include:
  - A. D.T. window
  - B. Walk-in cooler/freezer
  - C. Soft serve machines
  - D. Magnetic loop drive-thru detection system
  - E. Fryers
  - F. Clamshell Grill
2. If Licensee is to supply any other items related to the construction of the store, these items should be identified prior to requesting bids in order to avoid double bidding. These items may include but are not limited to the following:
  - A. Mood/Muzak (music system)
  - B. Integrated Technology Platform
  - C. Soft Drink System
  - D. Linen Supply (toilet accessories, hand washing supplies)
  - E. Menu Boards
  - F. Signage
  - G. Grease Retrieval
  - H. Exhaust Hoods
  - I. Décor Items

RECOMMENDED MINIMUM REQUIREMENTS FOR LAND TITLE SURVEYS  
WITH TOPOGRAPHIC & PUBLIC UTILITY DATA

All surveys must meet the following minimum requirements:

Physical Requirements

1. Survey shall be prepared at minimum of 1" = 20'.
2. Topography is to be shown on a 25' grid and shall include an area 100' outside of the described property.
3. A location vicinity map shall be provided.
4. A north arrow shall be shown.
5. The street address as it will appear in the records of the local municipality.
6. A complete and accurate, metes-and-bounds description to supplement lot, block, and tract number type information, but describes only the land surveyed.
7. Property lines with bearings, distances, arc length, chord, angle and radii, corner monuments identified; show P.O.B. of description and true P.O.B.; locate all easements of record and common usage. Note if calls are of record and/or as measured.
8. The area of the tract shall be shown in either square footage or acreage to the nearest one thousandth of an acre.
9. All existing trees, adjacent roadways, utility locations, power poles, building lines and easements recorded or apparent unrecorded are to be shown.
10. All existing improvements on or within 50' of the described property are to be shown and identified as to type and general condition.
11. Flow line elevations at sanitary and storm sewers are to be shown.
12. The condition of existing sidewalks, curb, gutters and adjacent streets shall be indicated.
13. Utilities--Locate all public and private utility lines adjoining or that will serve the property. Show size, type, manhole invert and rim elevation, direction of flow, utility pole identification numbers, valves, fire hydrants, traffic signal and street light poles, catch basins, drainage structures, etc. Include sanitary and storm sewers, natural gas, electrical, water, and telephone numbers.

14. Street--Right-of-way lines and proposed future dedications. Public roadways or right-of-ways adjacent to the surveyed property. Street median or other left turn barriers. Note ownership, jurisdiction, name and identification number of streets and highways.
15. Off-Site Improvements--Provide design standards for curb cuts, driveway approaches, new curb and gutters, sidewalks, curb and gutter elevations.
16. Show all monuments, stakes, or marks found or placed and note which were found and which were placed. Interior parcel lines must clearly indicate contiguity, gores and/or overlaps.
17. Show the locations, dimensions and type of all buildings on the surveyed property. Show their location by the shortest dimension of the exterior boundaries and their relationship to any known setback lines.
18. As a result of having viewed the property with reasonable diligence, show any physical evidence of possible easements such as roads, rights-of-way, railroads, drains, telephone, television cable service, telegraph or electric lines, water, sewer, oil or gas pipelines, driveways, billboards, etc. if they are on or run across the surveyed property and appear to serve the public or adjoining property owners. If there are any surface indications of underground easements such as manholes, pipeline markers, sewer or drain outlets, disturbed earth, etc. on (or near, if pertinent) the surveyed property, show them.
19. Show the existence of any lakes, ditches, streams, drainage basins or rivers running through or bordering on the premises being surveyed.
20. All field measurements must be balanced both as to angles and distances so as to provide a mathematical closure. Show the basis of bearings, assumed or otherwise. The plat of survey shall show the following information for any curve: length of arc, radius, central angle and bearing to the radius point from the beginning and end points of the curve.
21. Each survey shall be dated as to month, day and year on which property was surveyed.
22. Each survey shall be signed and sealed by the registered surveyor by whom, or under whose direction, such survey was made.

**EXHIBIT G**

Construction Consultation Services Agreement



# American Dairy Queen Corporation

## CONSTRUCTION CONSULTATION SERVICES AGREEMENT

Licensee: \_\_\_\_\_ Date: \_\_\_\_\_

Address: \_\_\_\_\_

City/State/Zip: \_\_\_\_\_ Store #: \_\_\_\_\_

Phone: \_\_\_\_\_ ☐ ARD ☐ NRD ☐ DR ☐ Replace/Relocate ☐ Remodel

American Dairy Queen Corporation (“ADQ”) shall provide construction consultation services to Licensee (“Licensee” or “you”) for the Authorized Location indicated below:

Concept: \_\_\_\_\_

Address: \_\_\_\_\_

City/State/Zip: \_\_\_\_\_

**1. Scope of Construction Consultation Services:** The activities described in Exhibit “A” attached.

**2. Cost of Services:** The cost of the construction coordination services will vary depending primarily upon: (1) whether your project involves construction of a new restaurant or the relocation/replacement of an existing restaurant; and (2) whether your new restaurant is in a freestanding building or a leased multi-tenant structure such as an enclosed mall, open air shopping center, strip center, C-Store or non-traditional site.

**New Units:** If you are constructing a new (NRD/ARD) freestanding restaurant, the cost of the service is \$7,500. If your new restaurant is located in a multi-tenant structure (such as an enclosed mall, open air shopping center, C-Store, strip center) to which you will only be making tenant improvements, the cost of the services is \$5,000. The full fee must be paid when you sign this Agreement. **If you paid a full NRD/ARD initial franchise fee to ADQ, the cost of the service is included in the initial franchise fee.** If your project is cancelled, you will receive: (1) a refund of the entire fee if your building plans have not been submitted to ADQ for review; or (2) a refund of the fee less \$1,500 at any time before construction begins; or (3) no refund after construction begins.

**Replacements, Relocations and Remodels:** If you are replacing, relocating or remodeling your existing *DQ* restaurant facility, the cost of the service will be \$7,500. The full fee must be paid when you sign this Agreement and before any services are rendered. If you are participating in the current Replacement/Relocation incentive program, if any, please refer to program specific payment options available.

**3. To Proceed:** Sign and date this agreement and send to American Dairy Queen Corporation, 8000 Tower, Suite 700, 8331 Norman Center Drive, Bloomington, MN 55437, Attn: Architecture/Construction Department.

**4. Acknowledgment:** The undersigned acknowledges that ADQ’s obligation under this agreement shall be limited to providing construction consultation services in concert with the project’s selected general contractor and architect for the construction of, and installation of equipment, in the restaurant. ADQ is not responsible for the actual construction of the restaurant, installation of equipment therein, delays in construction, construction or architectural errors or omissions, cost overruns, change orders or any consequential costs, expenses, injuries or damages arising out of or relating to any of those events or conditions, or to the actual construction of, or installation of equipment in the restaurant. ADQ will not provide construction consultation services on projects that are not under contract with, and

under the supervision and control of, a general contractor licensed to work in the city and state where the project is located. Furthermore, the Licensee understands that the scope of services to be provided are specifically limited to those that are described in the attached Exhibit "A" and are not intended to provide a "turn-key" service to the Licensee. ADQ is not responsible for ensuring that the restaurant to be constructed complies with building standards or legal requirements, including, but not limited to, architectural, structural, mechanical, electrical, accessibility (including without limitation those under the Americans with Disabilities Act), and other standards.

**5. Additional Billing:** If ADQ's construction consultant must be on site for purposes of consulting longer than specified in Exhibit "A" due to delays or complications beyond the control of ADQ, the Licensee agrees to pay ADQ an additional sum of \$200.00 per day for each day the construction consultant is available on site. Should the construction consultant have to make a return visit, related travel expenses, including, but not limited to, air travel, meals and lodging, will be added to the daily \$200.00 fee.

**6. Liability and Indemnification:** Licensee waives all claims against ADQ for damages to property or injuries to persons arising out of the design and/or construction of Licensee's building. Licensee must fully protect, indemnify and defend ADQ and its affiliates and hold them harmless from and against any and all claims, demands, damages and liabilities of any nature whatsoever arising in any manner, directly or indirectly, out of, in connection with, or incident to the franchised location, this Agreement (regardless of cause or any concurrent or contributing fault or negligence of ADQ) or any breach or failure to comply with this Agreement.

**7. Insurance:** Licensee must purchase and maintain at its own expense liability insurance in an amount equal to the greater of (a) \$2,000,000 per occurrence or a higher amount that ADQ may in the future require of similarly situated Licensees, (b) the amount the lessor of the Restaurant premises may require or (c) the amount required under Licensee's operating agreement for the location. The insurance coverage must start no later than the date Licensee begins construction. Licensee must deliver to ADQ a certificate of insurance and additional insured and other endorsements showing compliance with this section. The insurance coverage must:

- A. Insure Licensee, ADQ, ADQ's affiliates and any other person or entity designated by ADQ by name from liability for any and all such damage and injury;
- B. Be written with a company rated no less than "A" by AM Best Insurance Rating;
- C. Name ADQ and its affiliates as an additional insured; and
- D. Provide that ADQ will be given 30 days' prior written notice of material change in or termination or cancellation of the policy.

ADQ does not represent or warrant that any insurance that Licensee is required to purchase will provide adequate coverage for Licensee. The requirements of insurance specified in this Agreement are for ADQ's protection. Licensee should consult with its own insurance agents, brokers, attorneys and other insurance advisors to determine the level of insurance protection it needs and desires, in addition to the coverage and limits required by ADQ.

**Licensee:** \_\_\_\_\_ **Dated:** \_\_\_\_\_

*Construction Consultation Services Agreement (Including Exhibit "A") Total of Four Pages*

**Company: AMERICAN DAIRY QUEEN CORPORATION**

**By:** \_\_\_\_\_ **Dated:** \_\_\_\_\_

## EXHIBIT A

### CONSTRUCTION CONSULTATION SERVICES AGREEMENT

#### THE SERVICES PROVIDED ARE AS FOLLOWS:

1. Consult with the Licensee in the plan review process and with state and local regulatory agencies relevant to compliance with building, health and fire codes. It is the Licensee's sole responsibility to ensure that the plans conform to all state and local codes. (Construction plans and specifications provided by ADQ are design intent drawings based on Minnesota state codes.) (Site-specific changes will need to be made to the plans by the local architect hired by the Licensee).
2. Review availability of utilities (i.e. gas, electricity, sewer and water) to the site/space with the Licensee. Freestanding locations may require, at ADQ's discretion, an on-site visit relative to building location, ingress, egress, sign locations, parking and landscape requirements.
3. Review construction bids with the Licensee and consult with the Licensee in selecting a general contractor for the project, considering price, reputation, and ability to perform. The actual selection of the qualified contractor is the Licensee's sole responsibility.
4. Assist the Licensee and bidding general contractors in reviewing plans and information gathered in the above-mentioned functions to facilitate the submission of more accurate and competitive bids to the Licensee. ADQ recommends that all contract documents be completed on AIA forms.
5. Consult with the Licensee to obtain the required permits from the state and local authorities. It is the Licensee's and/or contractors sole responsibility to obtain permits. It is also the responsibility of the Licensee or contractor to submit the application with proper fee and time allowance to obtain necessary permits on a timely basis. Failure to do so may delay construction.
6.
  - A. Scope of Services for freestanding locations:  
Review conditions and work progress with the Licensee and contractor to avoid non-compliance with plans, delays or additional costs. Means of review will be by actual on-site inspections conducted by ADQ personnel or a third party retained by ADQ that consist of a pre-construction inspection or an underground inspection at ADQ's discretion based on the project's needs, rough-in inspection and punch list inspection. Review will also include digital photos, phone conversations and e-mail communication with the general contractor, job superintendent, Licensee and field personnel on a regular basis.
  - B. Scope of Services for tenant improvements in multi-tenant structures:  
Review conditions and work progress with the Licensee and general contractor in an effort to avoid non-compliance with plans, delays or additional costs. Means of review will be by actual on-site inspections conducted by ADQ personnel or a third party retained by ADQ that consist of a rough-in inspection and a punch list inspection. Review will also include digital photos, phone conversations and e-mail communication with the general contractor, job superintendent, Licensee and field personnel on a regular basis.
  - C. Scope of Services for (Tier 1 or Tier 2) Remodel Locations:  
Review of conditions and work progress with the Licensee and contractor to avoid non-compliance with plans, delays or additional costs. Means of review will be by digital photos, phone conversations and e-mail communication with the general contractor, job superintendent, Licensee and field personnel on a regular basis. Review will also consist of up to three actual on-site inspections that consist of a pre-construction or an underground inspection at ADQ's discretion based on the project's needs, rough-in and punch list inspection conducted by ADQ personnel or a third party retained by ADQ.
7. Consult with the Licensee on handling payments to the general contractor when payment applications are made. Money should be disbursed per the construction contract guidelines. Owner must determine whether lien waivers have been obtained and is responsible for obtaining partial and final lien waivers.



8. Consult with the Licensee concerning the process of unloading equipment, initial equipment inspection and acceptance of equipment. The Licensee is solely responsible for determining if items are missing or damaged and for filing any and all claims with the appropriate parties.
9. The Licensee is responsible for the unloading, placement, installation and hook up of all approved equipment. This is to be accomplished through the general contractor, subcontractors and laborers. The ADQ construction consultant will consult with the Licensee concerning the supervision of the equipment installation process. The Licensee is solely responsible for requiring that the general contractor, subcontractor and laborers are available, as determined by the construction consultant, at the appropriate times to comply with the installation schedule. Failure to make such arrangements may delay the equipment installation.
10. For new locations (but not remodels) certain pieces of equipment require a breaking-in period of several days' running time. The Licensee acknowledges that he/she is solely responsible for the final adjustments to these pieces of equipment and is aware that this may require hiring local trade services. The Licensee is required to employ a qualified technician to make proper adjustments to the soft serve machine(s), shake machine(s), *Mr. Misty*® machine, ice machines, display freezers, walk-in cooler/freezers, fryers, chain broilers and other items. Final equipment adjustments should occur once the machines have been operated with actual product.
11. Provide a project final punch list of shortcomings and deficiencies in relation to approved construction plans, addenda, change orders, construction contract and workmanship. Consultant will review all punch list items with the Licensee, Operations field force and general contractor prior to leaving the job site. It is the Licensee's responsibility to ensure that the general contractor completes all punch list items prior to final payment.
12. Consult with the Licensee in obtaining the final approvals of the necessary agencies for building occupancy. The contractor is responsible for contacting the required agencies to make final inspections for the purpose of obtaining the occupancy permit.
13. Consult with the Licensee regarding construction warranty work the contractor may be required to provide. For equipment warranty, the Licensee must work with its equipment vendor.
14. Consult with the Licensee at the Licensee's request to verify that the proper documentation is received from the general contractor (i.e. lien releases, inspection reports) prior to project closeout.

#### GENERAL NOTES:

1. All design changes to the building and equipment must be made prior to ADQ final plan approval, obtaining final bids and signing of the construction contract. Changes made after signing the contract may result in additional costs to Licensee. **NO CHANGES ARE TO BE MADE WITHOUT NOTIFYING THE CONSTRUCTION CONSULTANT AND OBTAINING WRITTEN APPROVAL FROM ADQ.**
2. All locally furnished approved equipment should be made available to the general contractor to keep construction on schedule. No unapproved equipment will be installed.
3. Bids can be influenced by local governing regulations and requirements, developers' design criteria, and actual site as built conditions. The general contractor shall include all items in the bid. However, because of timing or unforeseen circumstances, some of these items may be added to the total construction cost via approved change orders and paid by the Licensee.
4. ADQ does not assume any responsibility for construction cost overruns or costs associated with opening delays. All construction costs, late fees, rental commencement charges, etc., associated with the project opening are the sole responsibility of the Licensee.

## **EXHIBIT H**

### Tables of Contents for Manuals

# DQ® System Standards and Operations Manual

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## **EXHIBIT I**

Lists of direct-licensed and subfranchised DQ® Treat, DQ® Soft Serve Only, and Dairy Queen®/Limited Brazier® franchises



**List of Franchised Locations**

| Franchisee                       | Store Address  | Phone      |
|----------------------------------|--|------------|
| D S Enterprises Inc              | AZ/Chandler/Chandler Fashion Square/3111 W Chandler Blvd Ste Ff-212  | 4802577070 |
| D S Enterprises Inc              | AZ/Chandler/Phoenix Premium Outlets/4976 Premium Outlets Way Ste 730 | 4803007225 |
| Q3 Pecos LLC                     | AZ/Gilbert/3107 S Gilbert Rd Ste 112                                 | 4807268111 |
| Q3 Higley LLC                    | AZ/Gilbert/Higley Village Plaza/3303 E Queen Creek Rd, Ste A-101     | 4802795001 |
| MMPR Union Hills Hospitality LLC | AZ/Glendale/4410 W Union Hills Dr Ste 3                              | 6026123549 |
| D S Enterprises Inc              | AZ/Glendale/Arrowhead Towne Center/7700 W Arrowhead Towne Ctr        | 6234865157 |
| D S Enterprises Inc              | AZ/Glendale/Tanger Outlets/6800 N 95th Ave                           | 6238773147 |
| Telea LLC                        | AZ/Mesa/33 S Country Clb Dr  | 4809649551 |
| D S Enterprises Inc              | AZ/Mesa/6555 E SOUTHERN AVE STE 2514                                 | 6026661668 |
| MB Treats LLC                    | AZ/Mesa/9919 E Baseline Rd Ste 102                                   | 4803807121 |
| Mira Hospitality LLC             | AZ/Peoria/Camino A Lago Marketplace/10100 W Lake Pleasant Pkwy       | 6026123549 |
| Khillan, Rajneek K               | AZ/Phoenix/5217 S Central Ave  | 6022433566 |
| Tempco Enterprises LLC           | AZ/Phoenix/5250 W Indian School Rd                                   | 4065829600 |
| K & D Foods LLC                  | AZ/Phoenix/North Canyon Village/34455 N 27th Dr Ste 101              | 6237800284 |
| D S Enterprises Inc              | AZ/Prescott/Prescott Gateway Mall/3250 Gateway Blvd Ste 286          | 9287780908 |
| Rittenhouse Ops LLC              | AZ/Queen Creek/20911 E Rittenhouse Rd Ste 101                        | 4808167266 |
| Sanrak Inc                       | AZ/Scottsdale/11219 E Via Linda                                      | 4806145981 |
| Q3 Surprise Ops LLC              | AZ/ Surprise/15261 N Reems Rd Ste 104                                | 4805778333 |
| Raknro LLC                       | AZ/Tempe/1805 E Southern Ave   | 4804260010 |
| D S Enterprises Inc              | AZ/Tempe/Arizona Mills/5000 S Arizona Mills Cir                      | 4808394796 |
| Pss Inc                          | AR/Paragould/508 S 4th St  | 8702367796 |
| Almassian LLC                    | CA/Arcadia/The Shops at Sanita Anita/400 S Baldwin Ave #9270         | 6264468323 |
| Bermuda Dunes ICA LLC            | CA/Bermuda Dunes/41-800 Washington St                                | 7607729164 |
| First Classic Corporation        | CA/Burbank/Burbank Town Center/201 E Magnolia Blvd Ste 348           | 8182609003 |
| Subi Inc                         | CA/Cerritos/11309 183rd Street                                       | 5628606226 |
| PXY San Diego LLC                | CA/Chula Vista/664 Palomar St Ste 1101                               | 6194201660 |
| Se Synergy LLC                   | CA/Colton/Fiesta Village/1407 E Washington St                        | 9094221501 |

**List of Franchised Locations**

| Franchisee                              | Store Address  | Phone      |
|---|--|------------|
| Gawhary LLC                             | CA/Concord/4463 Clayton Rd                                       | 9256922100 |
| YU4 LLC                                 | CA/Cypress/9951 Walker St  | 7147618474 |
| Nam, Yong Ok                            | CA/El Cajon/2656 Jamacha Rd Ste 102                              | 6196601537 |
| Syed, Abutalib                          | CA/El Centro/Imperial Valley Mall/3451 S Dogwood Ave, Space 1530 | 7603371298 |
| Wtf Kami Inc                            | CA/Huntington Beach/5183 Warner Ave                              | 7148407971 |
| Johnson, Jeffrey T / Johnson, Suzanne T | CA/Modesto/Vintage Faire Mall/3401 Dale Rd. #228                 | 2095277831 |
| Tj and Dc Inc                           | CA/Montclair/4467 Mission Blvd                                   | 9096270444 |
| Moreno, Marjorie K / Moreno, Ruben A    | CA/Moreno Valley/24021 Alessandro Blvd                           | 9512429848 |
| Wtf Kami Inc                            | CA/Moreno Valley/Moreno Valley Mall/22500 Town Cir Ste 2133      | 9516531579 |
| Needles Petroleum Inc                   | CA/Needles/2451 Needles Hwy                                      | 7603262919 |
| First Classic Corporation               | CA/Northridge/Northridge Fashion Center/9301 Tampa Ave Unit 75   | 8188829918 |
| Salgado, Caroline                       | CA/Oxnard/Shopping @ The Rose/1941 N Rose Ave Ste 720            | 8054857899 |
| Shoppers Stop Inc                       | CA/Rancho Cucamonga/9694 Baseline Rd                             | 9099807840 |
| Moreno, Marjorie K / Moreno, Ruben A    | CA/Riverside/6665 Magnolia Ave                                   | 9510000000 |
| Sk Boeche Family Trust                  | CA/Riverside/8610 California Ave #101                            | 7754505817 |
| Bader Serramonte Inc                    | CA/San Bruno/The Shops At Tanforan/1150 El Camino Real Ste 252   | 6509525321 |
| Dever Capital Management LLC            | CA/San Diego/11835 Carmel Mountain Rd Ste 1312                   | 8584878372 |
| Dever Capital Management LLC            | CA/San Diego/5950 Santo Rd Ste P                                 | 8585605805 |
| PXY San Diego LLC                       | CA/San Diego/Mission Valley Mall/1640 Camino Del Rio N #1221     | 6192983742 |
| Glams Direct Inc                        | CA/San Ramon/Gateway Center/21001 San Ramon Valley Blvd E5       | 9255606509 |
| Kam, Fransiskus                         | CA/Santa Clarita/26541 Bouquet Canyon Rd                         | 6612630786 |
| Ruiz, Gilberto & Gaona, Sara            | CA/Santa Maria/Santa Maria Town Center/184 Town Ctr E            | 8059250606 |
| Dever Capital Management LLC            | CA/Santee/70 Town Centre Pkwy Ste A                              | 6195960922 |
| Jha, Nitesh Kumar                       | CA/Simi Valley/1368 Madera Rd, Ste P2-4                          | 8055781857 |
| Wtf Kami Inc                            | CA/Temecula/31845 Temecula Pkwy Ste C                            | 9513026464 |
| Hsieh, Yen Chih (Byron) / Hu, Sarah H   | CA/Tustin/The Market Place/2939 El Camino Real                   | 7145054288 |
| Shoppers Stop Inc                       | CA/Yucaipa/12045 5th St Unit G                                   | 9097903772 |

**List of Franchised Locations**

| <b>Franchisee</b>                 | <b>Store Address</b>  | <b>Phone</b> |
|-----------------------------------|---|--------------|
| Tower Ice Cream Ltd               | CO/Aurora/18121 E Hampden Ave Unit A                                | 3037669735   |
| R & D Stores Inc                  | CO/Aurora/2197 S Chambers Rd  | 3037550852   |
| Rd & E Ice Cream Inc              | CO/Aurora/24300 E Smoky Hill Rd                                     | 3034003811   |
| Bighash, Touraj / Bighash, Gity Z | CO/Aurora/3140 S Parker Rd  | 3037511302   |
| H&V Juice LLC                     | CO/Aurora/Aurora Mall/14200 E Alameda Ave Ste 2060a                 | 3033605647   |
| Pbjd One Inc                      | CO/Boulder/685 30th St  | 3034430656   |
| Pbjd Enterprises Inc              | CO/Broomfield/7634 US Hwy 287                                       | 3034692431   |
| D S Enterprises Inc               | CO/Broomfield/Flat Iron Crossing/1 W Flatiron Dr Space #ff-244      | 7204192101   |
| South Tri Stores LLC              | CO/Centennial/The Streets At Southglenn/2330 E Arapahoe Rd Unit 907 | 3037945505   |
| Bell Brand Ranches Inc            | CO/Colorado Springs/5440 Tutt Blvd                                  | 7195969080   |
| Strub, James A                    | CO/Commerce City/5800 E 64th Ave                                    | 3032891650   |
| Q3 Delta LLC                      | CO/Delta/240 A N Palmer St  | 9708741770   |
| Eagle Too Corp                    | CO/Denver/2450 S Colorado Blvd                                      | 3037566598   |
| Tri-Sweets Inc                    | CO/Denver/7601 E Colfax Ave   | 3033885144   |
| GWC Enterprises LLC               | CO/Denver/780 S Colorado Blvd - Bldg A                              | 3035930396   |
| Lototo Ltd                        | CO/Englewood/3531 S Logan St Unit H                                 | 3037787287   |
| Treatalicious Inc                 | CO/Erie/3335 Arapahoe Rd Ste 10                                     | 7208908759   |
| Set Sail EP Inc                   | CO/Estes Park/218 E Elkhorn Ave                                     | 9705864939   |
| Pbjd Enterprises Inc              | CO/Federal Heights/10250 Federal Blvd Unit 200                      | 3034392434   |
| Bell Brand Ranches Inc            | CO/Firestone/8350 County Road 13 Ste 190                            | 3038333435   |
| GWC Enterprises LLC               | CO/Fort Collins/1426 E Harmony Rd                                   | 9706942880   |
| GWC Enterprises LLC               | CO/Fort Collins/1805 S College Ave                                  | 9707321325   |
| Win Hof Ltd                       | CO/Highlands Ranch/9435 S University Blvd                           | 3036831553   |
| Treatalicious Inc                 | CO/Lafayette/305 Exempla Cir  | 3038625954   |
| Taste and See DQ LLC              | CO/Lakewood/1010 S Union Blvd                                       | 3039888545   |
| Lix II LLC                        | CO/Lakewood/1525 S Sheridan Blvd                                    | 3039347206   |
| Eagle Too Corp                    | CO/Lakewood/245 S Wadsworth Blvd                                    | 3032327060   |

**List of Franchised Locations**

| Franchisee                               | Store Address   | Phone      |
|--|---|------------|
| Plaza Stores Ltd                         | CO/Littleton/11727 W Ken Caryl Ave                                  | 3039792147 |
| D & W Stores Ltd                         | CO/Littleton/7576 S Pierce St                                       | 3039790729 |
| H&V Juice LLC                            | CO/Lone Tree/Park Meadows Mall/8515 Park Meadows Center Dr Ste 2430 | 3037929958 |
| Zieglin Inc                              | CO/Longmont/2201 Ken Pratt Blvd Ste D                               | 3036519733 |
| Zieglin Inc                              | CO/Longmont/616 Main St   | 3037721340 |
| Lindberg, Craig A                        | CO/Loveland/300 E Eisenhower Blvd                                   | 9704613456 |
| Bpw Ops LLC                              | CO/Montrose/1001 S Townsend Ave                                     | 4803885721 |
| Eagle Country Ventures LLC               | CO/Steamboat Springs/Central Park Plaza/1755 Central Park Plaza     | 9708711800 |
| Lix Thornton LLC                         | CO/Thornton/3894 E 120th Ave Unit A/Thornton Plaza Shopping Center  | 3032529375 |
| The Patrick Family Group Ltd             | CO/Thornton/721 W 84th Ave  | 3034283744 |
| Huron Store Ltd                          | CO/Westminster/774 W 120th Ave                                      | 3032559812 |
| Bell Brand Ranches Inc                   | CO/Wheat Ridge/6790 W 38th Ave                                      | 3034204141 |
| P & G Creamery LLC                       | CO/Wheat Ridge/9720 W 44th Ave                                      | 3034218576 |
| Gassmann Enterprises Inc                 | CO/Windsor/1299 Main St   | 9706869272 |
| Moonrose, Joseph Zozo / Keklik, Kennedy  | CT/Bridgeport/949 Huntington Rd                                     | 2033456047 |
| DQCT II Inc                              | CT/Cheshire/1062 S Main St  | 2035006367 |
| American Hospitality Group LLC           | CT/East Hartford/435 Main St  | 8605688171 |
| Cassetta, Michael J / Cassetta, Rosemary | CT/Enfield/395 Enfield St   | 8607452272 |
| KBS LLC                                  | CT/Fairfield/1902 Post Rd   | 2032595659 |
| Mcbride Enterprises-Groton Lcc           | CT/Groton/42 Fort Hill Rd   | 8603331681 |
| Guilford High Mart LLC                   | CT/Guilford/490 Boston Post Rd                                      | 2034539509 |
| Cassetta, Michael J / Cassetta, Rosemary | CT/Kensington/806 Farmington Ave                                    | 8608289610 |
| KBS 2 LLC                                | CT/Milford/1363 New Haven Ave                                       | 2038776506 |
| G & W Treats LLC                         | CT/Monroe/401 Monroe Tpke   | 2038805880 |
| Pursell, Robert A / Pursell, Denise M    | CT/New Haven/254 1/2 Kimberly Ave                                   | 2037765052 |
| Jak Management LLC                       | CT/Newington/2514 Berlin Turnpike                                   | 8606663900 |
| Bobinski, Josephine G                    | CT/Niantic/73 Pennsylvania Ave                                      | 8607395830 |

**List of Franchised Locations**

| Franchisee                           | Store Address   | Phone      |
|--------------------------------------|---|------------|
| Ic 80 LLC                            | CT/North Branford/280 North Branford Rd                                   | 2034881494 |
| DQCT III Inc                         | CT/North Haven/2011 Whitney Ave   | 2035006367 |
| Spera, Heather / Lassen, Jennifer M  | CT/Old Saybrook/1370 Boston Post Rd                                       | 8603885650 |
| Mcbride, Matthew R                   | CT/Pawcatuck/22 Liberty St  | 8605993380 |
| Savio Enterprises LLC                | CT/Plainville/81 East St  | 8607475600 |
| KBS 3 LLC                            | CT/Stamford/885 Summer St   | 2033489147 |
| A & N Sweet Treats LLC               | CT/Stratford/1514 Barnum Ave  | 2033789616 |
| Mrtj Enterprises LLC                 | CT/Torrington/447 Main St   | 8604826609 |
| Wallingford Dairy LLC                | CT/Wallingford/235 S Colony St  | 2032650712 |
| Orange Ave Treats LLC                | CT/West Haven/64 Orange Ave   | 2039345483 |
| Axel Ridge LLC                       | CT/Willimantic/1051 Main St   | 8604561991 |
| The Bobinski Family Trust            | CT/Winsted/59 Main St Box 555   | 8603796733 |
| Jas Treats LLC                       | DE/Dover/Kent Eight Plaza/1406 Forrest Ave Ste A1                         | 3027300795 |
| Atlantic Ice Cream of Delaware Inc   | DE/Rehoboth Beach/67 Rehoboth Ave   | 3022787647 |
| Lakshmi Treats LLC                   | FL/Bonita Springs/Bonita Bay Shopping Center/26831 S Tamiami Trl Unit #53 | 2399924797 |
| Bell Brand Ranches Inc               | FL/Bradenton/5217 W 14th St   | 9417559449 |
| Joli Ventures Inc                    | FL/Clearwater/2046 Gulf To Bay Blvd                                       | 7274470132 |
| Mako Beachside LLC                   | FL/Cocoa Beach/3690 N Atlantic Ave  | 3217848787 |
| Gourmet Sweet Treats Inc             | FL/Coconut Creek/5405 Lyons Rd  | 9546980078 |
| Reneglade LLC                        | FL/Cooper City/10261 Stirling Rd  | 9546800777 |
| Mr Creamy Inc                        | FL/Coral Springs/10665 Wiles Rd   | 9542550888 |
| Frozen Assets/Davie LLC              | FL/Davie/13684 W State Road 84  | 9542604170 |
| Kristina Clausen Revocable Trust     | FL/Davie/4979 SW 148th Ave  | 9542529236 |
| Youth Investments of Dairy Queen Inc | FL/Davie/6550 SW 39th St  | 9545844081 |
| Hanzala Inc                          | FL/Delray Beach/1000 Linton Blvd A-3                                      | 5612432663 |
| Paradise Coast Treats Inc            | FL/Estero/Miromar Outlets/10801 Corkscrew Rd, Ste 137                     | 2393195164 |
| Fast Track Stores Inc                | FL/Gainesville/3960 SW Archer Rd Ste B                                    | 9092145555 |

**List of Franchised Locations**

| <b>Franchisee</b>               | <b>Store Address</b>  | <b>Phone</b> |
|---------------------------------|---|--------------|
| Jzs Enterprises of Jax Inc      | FL/Jacksonville/7253 103rd St   | 9047796564   |
| CHREMI-Jupiter LLC              | FL/Jupiter/3900 E Indiantown Rd Ste 605                               | 5617437155   |
| Amanda Real Estate Holdings LLC | FL/Key West/1207 United St  | 3052933737   |
| Fast Track Stores Inc           | FL/Madison/6390 S State Rd 53   | 8509732311   |
| K & J Confections Inc           | FL/Miami/Southland Mall/20505 S Dixie Hwy Ste 1887                    | 3052526102   |
| Umiya Treats LLC                | FL/Miramar Beach/1688 Scenic Gulf Dr                                  | 8508371757   |
| Cone Crazy Inc                  | FL/Miramar/1900 S St Rd #7  | 9549894272   |
| 729 Enterprises Inc             | FL/New Smyrna Beach/729 N Dixie Fwy                                   | 3864288066   |
| Joli Ventures Inc               | FL/Oldsmar/3850 Tampa Rd  | 8139250118   |
| International Treats I Ltd      | FL/Orlando/6321a International Dr                                     | 4073529691   |
| Ghaneshay Food LLC              | FL/Ormond Beach/328 N Nova Rd #108                                    | 3866762144   |
| PT Food Service LLC             | FL/Palatka/822 Saint Johns Ave  | 3863252677   |
| Valenlayne LLC                  | FL/Pembroke Pines/University Marketplace Shopping Ctr/8364 Pines Blvd | 9544335131   |
| B & M Dairy Queen Inc           | FL/Pompano Beach/2901 N Federal Hwy                                   | 9549438390   |
| Jallo Ice Cream at Kings LLC    | FL/Port Charlotte/909-C Kings Hwy                                     | 3473098445   |
| ROJE-Pt St Lucie LLC            | FL/Port St Lucie/Key Lime Plaza/254 SW Port St Lucie Blvd             | 7722042678   |
| ROJE-Royal Palm Beach LLC       | FL/Royal Palm Beach/1113 Royal Palm Beach Blvd                        | 5617900349   |
| JK Jacobs LLC                   | FL/Sanford/2523 Park Dr   | 4073243654   |
| CHREMI-Jensen Beach LLC         | FL/Stuart/2531 NW Federal Hwy   | 7726922252   |
| Sodexo Operations LLC           | FL/Tampa/Stadium Center/500 University Dr                             | 8132573884   |
| Wesley Chapel Sweets LLC        | FL/Wesley Chapel/27329 Wesley Chapel Blvd                             | 8139919767   |
| Joebbk LLC                      | FL/West Palm Beach/7900 S Dixie Hwy                                   | 5614294530   |
| Lawrence, Evelyn                | FL/Wilton Manors/1950 Wilton Dr                                       | 9545665735   |
| FMES Enterprises LLC            | GA/Canton/147 Reinhardt College Pkwy/Riverstone Village - Suite 1     | 7702134529   |
| FMES Enterprises LLC            | GA/Canton/2761 Marietta Hwy   | 7702133614   |
| BuffaloDQ LLC                   | GA/Douglasville/Arbor Place Mall/106 Arbor Place Mall                 | 3107792311   |
| Sabila Inc                      | GA/Lawrenceville/Sugarloaf Mills Mall/5900 Sugarloaf Pkwy, #100       | 6788470407   |

**List of Franchised Locations**

| Franchisee                        | Store Address  | Phone      |
|-----------------------------------|--|------------|
| The Teton Group LLC               | HI/Hilo/Prince Kuhio Plaza (Hawa'i)/111 E Puainako St            | 8084640774 |
| HDQ Inc.                          | HI/Honolulu/4725 Bougainville Dr Bldg 631                        | 8084220200 |
| HDQ Inc.                          | HI/Honolulu/Hilton Hawaiian Village Resort (O'ahu)/2005 Kalia Rd | 8089468866 |
| Mt & S LLC                        | HI/Kailua Kona/Kona Commons (Hawaii)/74-5450 Makala Blvd Ste 106 | 8087315929 |
| HDQ Inc.                          | HI/Kaneohe/Windward Mall (O'ahu)/46-056 Kamehameha Hwy           | 8082354270 |
| The Teton Group LLC               | HI/Waikoloa/Queens Marketplace (Hawa'i)/69-201 Waikoloa Beach Dr | 8088861029 |
| Broulim Supermarkets LLC          | ID/Ammon/2730 E Sunnyside Rd                                     | 2085220795 |
| Ipsen Inc                         | IL/Antioch/966 Main St   | 8473958383 |
| Krishna Dairy Inc                 | IL/Arlington Heights/1293 N Rand Rd                              | 8478181970 |
| Peoria Ice Cream Company          | IL/Bartonville/1530 W Garfield Ave                               | 3096970575 |
| Ktj Squared Inc                   | IL/Buffalo Grove/702 S Buffalo Grove Rd                          | 8475202571 |
| Radhav LP Inc                     | IL/Chicago/2200 N Lincoln Ave                                    | 7738712200 |
| Romano, Thomas A                  | IL/Chicago/3811 N Southport Ave                                  | 7738577004 |
| B&J Schmitt Inc                   | IL/Chillicothe/1206 N 4th St                                     | 3092749100 |
| Verkler, Chad / Verkler, Ashleigh | IL/Cissna Park/500 N 2nd St                                      | 8154572368 |
| Judith K Myers Living Trust       | IL/Colona/550 Green Pk Ave                                       | 3097960968 |
| Peoria Ice Cream Company          | IL/Creve Coeur/624 S Main St                                     | 3096998079 |
| Jones, Robert E (Estate)          | IL/Danville/1203 E Main St                                       | 2174420235 |
| Hari OM Krupa Inc                 | IL/Elk Grove Village/20 E Devon Ave                              | 8479561350 |
| Kbdb Enterprises LLC              | IL/Flora/201 W North Ave   | 6186628547 |
| FNC Restaurant Group LLC          | IL/Fox Lake/2 S US Highway 12                                    | 2242251001 |
| Ptl Inc                           | IL/Gurnee/401 N Riverside Dr Ste 20                              | 8472445283 |
| Harrisburg Sweets LLC             | IL/Harrisburg/605 S Commercial St                                | 6182526032 |
| Homewood Ice Cream Inc            | IL/Homewood/1700 Ridge Rd  | 7087989103 |
| Dreher, Vernon C                  | IL/Lake Zurich/205 S Rand Rd                                     | 8472575529 |
| Jusbro Inc                        | IL/Lansing/17856 Torrence Ave                                    | 7088955670 |
| Dreher, Vernon C                  | IL/Libertyville/502 S Milwaukee Ave                              | 8473621041 |

**List of Franchised Locations**

| <b>Franchisee</b>                | <b>Store Address</b>                        | <b>Phone</b> |
|----------------------------------|---|--------------|
| Metaxia Enterprises Inc          | IL/Lincoln/916 Woodlawn Rd                  | 2177327860   |
| Roy and Roy LLC                  | IL/Macomb/936 W Jackson St                  | 3098334300   |
| Maha Laxmi Krupa Inc             | IL/Moline/2120 53rd St                      | 3095173369   |
| Udderly Delicious LLP            | IL/Mundelein/712 S Lake St                  | 8475668560   |
| Foote, Michael B / Foote, Gayla  | IL/Paris/1117 N Main St                     | 2174633230   |
| Ng2 Inc                          | IL/Park Ridge/2 Devon Ave                   | 8476983201   |
| Ray and Erin Umble               | IL/Paxton/349 Railroad Ave                  | 2173790108   |
| Jt Wright LLC                    | IL/Princeton/615 N Main St                  | 8158721721   |
| Siya & Angel Inc                 | IL/Rantoul/1103 Klein Ave                   | 2178928071   |
| Renshaw, David L                 | IL/Robinson/1105 E Main St                  | 6185447410   |
| Judith K Myers Living Trust      | IL/Rock Falls/1109 W Rock Falls Rd          | 8156252833   |
| Jordy Inc                        | IL/Streator/2320 N Bloomington St           | 8156733636   |
| J Hill Enterprises LLC           | IL/Taylorville/401 W Springfield Rd         | 2178248322   |
| Janvi Corporation                | IL/Tinley Park/Park Center/15946 Harlem Ave | 7084444091   |
| Shri Pramukh Swami Inc           | IL/Vandalia/1413 N 8th St                   | 6182830160   |
| Dreher, Vernon C                 | IL/Wauconda/306 S Main St                   | 8474698739   |
| DQ of Wilmette                   | IL/Wilmette/3510 Lake Ave                   | 8472518727   |
| B & E Restaurant Group           | IN/Aurora/716 Green Blvd                    | 8129263027   |
| Martin, Dale L / Martin, Alisa K | IN/Austin/305 North US Hwy 31               | 8127942332   |
| MMPR Avon Hospitality LLC        | IN/Avon/7574 Beechwood Centre               | 3172724667   |
| Jlb Scoop Inc                    | IN/Bloomington/2423 S Walnut                | 8123342423   |
| Thomas, Jerald R                 | IN/Brazil/20 S Union St                     | 8124437591   |
| Apetayl Treats LLC               | IN/Chesterton/1249 Broadway                 | 2199265110   |
| R Kids Inc                       | IN/Crown Point/10880 Randolph St            | 2196626090   |
| Ice Cream Shoppe of Danville LLC | IN/Danville/101 E Main St                   | 3177452539   |
| ABSY Treat Inc                   | IN/Fishers/10560 E 96th St                  | 2177216647   |
| Hpo Foods LLC                    | IN/Fort Wayne/7103 W Jefferson Blvd         | 2604368141   |



**List of Franchised Locations**

| <b>Franchisee</b>                         | <b>Store Address</b>                                     | <b>Phone</b> |
|---|--|--------------|
| Fortell Enterprises LLC                   | IN/Fort Wayne/Glenbrook Square/4201 Coldwater Rd Ste 429 | 2604376421   |
| Keyami Gary Inc                           | IN/Gary/3516 Broadway                                    | 2198871361   |
| Hestand, Richard / Hestand, Beverly       | IN/Greenwood/601 W Main St                               | 3178880282   |
| Keepin It Sweet Inc                       | IN/Hammond/6642 Kennedy Ave                              | 2198442755   |
| Dennis Hoyda Inc                          | IN/Highland/3339 45th St                                 | 2199244510   |
| Huntington Chocolate Inc                  | IN/Huntington/1005 Etna Ave                              | 2603568341   |
| Malka LLC                                 | IN/Indianapolis/1024 Fletcher Ave                        | 3176241024   |
| Woodward's Inc                            | IN/Indianapolis/2104 E 52nd St                           | 3172533544   |
| Malka MLK LLC                             | IN/Indianapolis/3740 Martin Luther King Jr St            | 3177536489   |
| Spears, Michael D                         | IN/Indianapolis/3826 English Ave                         | 3173579455   |
| Napier Management Inc                     | IN/Indianapolis/7639 S Meridian                          | 3178884855   |
| Phyl Corporation                          | IN/Jasper/606 W 6th St                                   | 8124822766   |
| Ohana 8 Inc                               | IN/La Porte/1409 Lincoln Way                             | 2193805364   |
| Apetayl Treats LLC                        | IN/Lake Station/2433 Ripley St                           | 2199622355   |
| Jecar Inc                                 | IN/Lebanon/2005 N Lebanon                                | 7654821960   |
| Dionne, Marcus L                          | IN/Madison/751 Jefferson Ct                              | 8122656307   |
| Conner's Inc                              | IN/Merrillville/6849 Broadway                            | 2197361623   |
| Vadechi Krupa Inc                         | IN/Merrillville/7305 Taft St                             | 2192674749   |
| MMPR Plainfield Hospitality LLC           | IN/Plainfield/325 W Main St                              | 3178396809   |
| Frey Ice Inc                              | IN/Portage/6255 Central Ave                              | 2197624055   |
| Williamson, Jed A / Williamson, Dorothy L | IN/Portland/1403 N Meridian                              | 2607268240   |
| Jay Maa Bahuchar Inc                      | IN/Richmond/1018 S 9th St                                | 7659660935   |
| Jay Maa Bahuchar Inc                      | IN/Richmond/1700 W National                              | 7659351685   |
| Jay Maa Bahuchar Inc                      | IN/Richmond/837 N 10th St                                | 7659625714   |
| Henry, Terri L                            | IN/Seymour/316 E Tipton St                               | 8125229746   |
| Napier Treats Inc                         | IN/Shelbyville/1614 E Michigan Rd                        | 3173986015   |
| Happy Krupa Indiana Inc                   | IN/Terre Haute/1331 N 13th St                            | 8122323547   |

**List of Franchised Locations**

| Franchisee                                | Store Address                                 | Phone      |
|---|---|------------|
| Happy Krupa Indiana Inc                   | IN/Terre Haute/3201 E Wabash Ave              | 8122323757 |
| Apetayl Treats LLC                        | IN/Valparaiso/366 W US Highway 6              | 2197631400 |
| JD Restaurants Inc                        | IN/Westport/206 N State Rd 3                  | 8125912452 |
| Tmcr LLC                                  | IA/Algona/20 E Nebraska St                    | 5152955287 |
| SkmdQ LLC                                 | IA/Bettendorf/2535 18th St                    | 5633599480 |
| Shaffer, Alan E                           | IA/Creston/201 W Taylor St                    | 6417822826 |
| Two Minis Too Mini LLC                    | IA/Davenport/Northpark Mall/320 W Kimberly Rd | 5633869189 |
| Frum's Foods Inc                          | IA/Denison/1015 4th Ave S                     | 7122634910 |
| Class-Sy LLC                              | IA/Des Moines/1319 Army Post Rd               | 5152852619 |
| Chemco LLC                                | IA/Des Moines/1321 E University Ave           | 5152620319 |
| Jessi's Enterprises LLC                   | IA/Des Moines/3408 SW 9th St                  | 5152828823 |
| Sullivan Enterprises Ltd                  | IA/Des Moines/5415 Douglas Ave                | 5152781847 |
| N. Mcmanus Enterprises LLC                | IA/Des Moines/6842 University Ave             | 5152743011 |
| Blake, Vicki L                            | IA/Dubuque/2300 Rhomberg                      | 5635822727 |
| Cairney, Kirk D                           | IA/Fort Dodge/1412 A Street                   | 5159554051 |
| RpDQ Inc                                  | IA/Harlan/2504 12th St                        | 7127553224 |
| Daughters, Michael (IA)                   | IA/Keokuk/2656 Belknap Blvd                   | 3193138231 |
| Ajja Inc                                  | IA/Mount Pleasant/117 E Washington St         | 3193854304 |
| O'brien, Robert R                         | IA/Newton/203 1st Ave E                       | 6417928070 |
| Iowa 80 Truckstop Inc / Meier, Delia Moon | IA/Walcott/755 W Iowa 80 Rd                   | 5634685375 |
| Tower Park DQ Inc                         | IA/Waterloo/103 E Tower Park Dr               | 3192331867 |
| Jensen, Thomas Joe                        | IA/Waterloo/1229 Lafayette St                 | 3192336313 |
| Strategic Property Management Inc         | IA/Waterloo/1304 W 5th St                     | 3192325067 |
| Strategic Property Management Inc         | IA/Waterloo/1506 La Porte Rd                  | 3192325440 |
| Waverly HDQ Inc                           | IA/Waverly/122 4th St S W                     | 3193523256 |
| HDQ Inc                                   | IA/Webster City/1403 Superior St              | 5158322051 |
| N. Mcmanus Enterprises LLC                | IA/West Des Moines/2020 Grand Ave Ste 100     | 5152251089 |

**List of Franchised Locations**

| Franchisee  | Store Address                                  | Phone      |
|---|--|------------|
| Jeff's Ice Cream LLC  | IA/West Des Moines/308 Grand Ave               | 5152550373 |
| Love's Travel Stops & Country Stores Inc                                  | KS/Ellis/200 Washington St                     | 7857262528 |
| We R Cool Inc   | KS/Emporia/1710 W 6th St                       | 6203425887 |
| Brungardt, Michael / Brungardt, W Diane                                   | KS/Garden City/114 W Kansas Ave                | 6202767022 |
| Lunsford, Candi M   | KS/Great Bend/2302 N Main St                   | 6207938961 |
| Copper Coin Inc   | KS/Hays/1226 E 27th St                         | 7856253027 |
| Shaban, Radwan A  | KS/Hutchinson/12 E 3rd St                      | 6206625791 |
| King, Kerry Buddy   | KS/Iola/323 S State St                         | 6203653691 |
| G M Miller Enterprises Inc  | KS/Overland Park/7580 W 151st St               | 9138511850 |
| Buster, Robert  | KS/Salina/321 N 9th St                         | 7858236109 |
| Fast N Friendly LLC   | KS/Shawnee/11904 Shawnee Mission Pkwy          | 9139625151 |
| B A Enterprises Corporation   | KS/Topeka/1700 SW Medford Ave                  | 7852282331 |
| B A Enterprises Corporation   | KS/Topeka/1725 SE 29th St                      | 7852663456 |
| G & A Corporation   | KS/Topeka/2026 NW Topeka Blvd                  | 7852338735 |
| Shaban, Ryan K  | KS/Wichita/849 S Poplar                        | 3166867177 |
| Schultzfive LLC   | KS/Wichita/Towne East Square/7700 E Kellogg Dr | 3166865957 |
| Noll, John  | KY/Covington/3220 Decoursey Ave                | 8592612225 |
| JHS Holdings LLC  | KY/Flemingsburg/133 E Water St                 | 6068493030 |
| Coughlin, John Sidney / Coughlin, Karen / Young, Terry J / Young, Susan K | KY/Madisonville/839 S Main St                  | 2708216724 |
| Kemp, Hal T / Kemp, Leslie F  | KY/Murray/1303 Main St                         | 2709171458 |
| DeLong Jr, Teddy / DeLong, Stephen Craig                                  | KY/Paintsville/906 Broadway St                 | 6067895400 |
| Tyl LLC   | LA/Metairie/6507 Airline Hwy                   | 5047333989 |
| Lavergne Enterprises LLC  | LA/Opelousas/222 W Landry St                   | 3379423987 |
| Augusta Soft Serve Lp   | ME/Augusta/100 Bangor St                       | 2076231508 |
| Klm Freeport  | ME/Bangor/668 Broadway                         | 2079436746 |
| JM Treat LLC  | ME/Biddeford/447 Elm St                        | 2075714304 |
| Ice Coast Inc   | ME/Brewer/511 Wilson St                        | 2079895164 |

**List of Franchised Locations**

| Franchisee                               | Store Address   | Phone      |
|--|---|------------|
| Dube, John P / Dube, Deborah M           | ME/Kennebunk/1 York St                                      | 2079853050 |
| Foss & Daughters LLC                     | ME/Old Orchard Beach/12 Old Orchard St                      | 2074507426 |
| 517 Main Street Assoc                    | ME/Saco/517 Main St   | 2072821963 |
| Titherington, Rachel E / Doiron, James A | ME/Sanford/1012 Main St                                     | 2073248167 |
| Foss Cash Corner Enterprises LLC         | ME/South Portland/317 Main St                               | 2077990568 |
| Chute, James J                           | ME/Topsham/59 Main St                                       | 2077290233 |
| Waterville Soft Serve Lp                 | ME/Waterville/13 Kmd Plz                                    | 2073856465 |
| Waterville Soft Serve Lp                 | ME/Waterville/161 College Ave                               | 2076163321 |
| Dube & Dube Company Inc                  | ME/Wells/Wells Corner Shopping Center/1517 Post Rd          | 2076468212 |
| 4-M Enterprises Inc                      | MD/Baltimore/White Marsh Mall/8200 Perry Hall Rd Space 2370 | 4109339302 |
| Gtm Sweet Treats LLC                     | MD/Bel Air/1510 Conowingo Rd                                | 4108386608 |
| Ice Cream Holdings Four Inc              | MD/Chester/65 Kent Town Market                              | 4106042950 |
| Taylor, Roy (Estate) / Taylor, Barbara   | MD/Frederick/1293 Riverbend Way                             | 3016624440 |
| Ganesh Kruppa LLC                        | MD/Germantown/12603 Wisteria Dr                             | 3016013007 |
| Bri-Lyn Inc                              | MD/Hagerstown/824 Dual Hwy                                  | 3017338486 |
| 4-M Enterprises Inc                      | MD/Hagerstown/Valley Mall/17301 Valley Mall Rd Ste 597      | 3015823291 |
| OMM Four LLC                             | MD/Rockville/2019 Veirs Mill Rd                             | 3018387688 |
| TaileeDQ Inc                             | MD/Westminster/1 Magna Way                                  | 4108712537 |
| Mack Hill Inc                            | MA/Abington/335 Center Ave                                  | 7818789753 |
| Beverly ICA LLC                          | MA/Beverly/479 Cabot St                                     | 9789271249 |
| DC Treats Inc                            | MA/Brockton/1138 N Main St                                  | 5085832487 |
| Sweet Tooth Shoppes Inc                  | MA/Brockton/344 Belmont St                                  | 5085839813 |
| Porter Enterprises Inc                   | MA/Clinton/655 High St                                      | 9783655750 |
| BeesAnderson LLC                         | MA/Edgartown/242 Main St                                    | 5086275001 |
| Toomey, James Michael                    | MA/Falmouth/829 Main St                                     | 5085400669 |
| Erebor Inc                               | MA/Fitchburg/143 River St                                   | 9783437520 |
| Ipswich ICA LLC                          | MA/Ipswich/158 High St                                      | 9783565599 |

**List of Franchised Locations**

| <b>Franchisee</b>                        | <b>Store Address</b>   | <b>Phone</b> |
|--|--|--------------|
| Grafos Inc                               | MA/Marlborough/49 E Main St                                  | 5084850850   |
| Ice Works Inc                            | MA/Marshfield/914 Webster St                                 | 7818374150   |
| Middleboro Dairy Queen Inc               | MA/Middleboro/7 E Grove St                                   | 5089470192   |
| Middleton ICA LLC                        | MA/Middleton/250 S Main St                                   | 9783041627   |
| Natick Dairy Queen Inc                   | MA/Natick/323 N Main St                                      | 5086553839   |
| Chew Enterprises Inc                     | MA/Quincy/652 Washington St                                  | 6177703920   |
| Dara Foods Inc / Dimacopoulos, Theodore  | MA/South Yarmouth/917 Rte 28                                 | 5083949535   |
| Ice Cream Adventures LLC                 | MA/Westborough/18 Summer St                                  | 5083665900   |
| R & R Dairy Manufacturing Co Inc         | MA/Weymouth/226 Main St                                      | 7813359546   |
| Frozen Great Lakes LLC                   | MI/Alanson/8143 S US 31 Hwy                                  | 2315488888   |
| River Road Investment LLC                | MI/Algonac/1307 Saint Clair River Dr                         | 8107947000   |
| Hughesicecream LLC                       | MI/Allen Park/17446 Ecorse Rd                                | 3134006992   |
| Vulture LLC                              | MI/Allendale/5053 Lake Michigan Dr Ste A                     | 6168952257   |
| Teambays Inc                             | MI/Alpena/600 W Chisholm St                                  | 9893547056   |
| Cohen's Creamery Inc                     | MI/Ann Arbor/1805 Packard St                                 | 7346655588   |
| Ignasiak Enterprises LLC                 | MI/Ann Arbor/2430 W Stadium Blvd                             | 7346637361   |
| Briansquared 2 LLC                       | MI/Auburn Hills/Great Lakes Crossing/4268 Baldwin Rd Ste 550 | 2487450849   |
| Briansquared LLC                         | MI/Auburn Hills/Walton Village Plaza/3053 E Walton Blvd      | 2483771590   |
| Baldwin DPL Enterprises LLC              | MI/Baldwin/695 Michigan Ave                                  | 2317457621   |
| Champlin, Raymond / Champlin, Altagracia | MI/Battle Creek/283 Main St                                  | 2692246192   |
| Toad Four LLC                            | MI/Berkley/3491 12 Mile Rd                                   | 2485455300   |
| Oakland Family Restaurants Inc           | MI/Bloomfield/6622 Telegraph Rd                              | 2485391750   |
| Brighton Dairy Queen Inc                 | MI/Brighton/321 Grand River Ave W                            | 8102299640   |
| Brownstown Ice Cream Inc                 | MI/Brownstown/23127 Telegraph Rd                             | 7346921000   |
| Cadillac Treats LLC                      | MI/Cadillac/901 S Mitchell St                                | 2317754602   |
| Hawk Delights LLC                        | MI/Canton/266 N Canton Center Rd                             | 3139800880   |
| Ar Frederick LLC                         | MI/Caseville/6395 Main St                                    | 9898562534   |

**List of Franchised Locations**

| Franchisee                           | Store Address   | Phone      |
|--------------------------------------|---|------------|
| Roberts Services of Charlotte LLC    | MI/Charlotte/407 S Cochran Ave.                               | 5175439331 |
| Lake Area Restaurants Inc            | MI/Commerce Twp/1599 Union Lake Rd                            | 2483638717 |
| Sistydh Enterprises Inc              | MI/Dearborn Heights/22402 Ford Rd                             | 3132743764 |
| Tefend's Tasty Treats Inc            | MI/Dearborn Heights/8316 N Telegraph                          | 3135619333 |
| 10234 Investments LLC                | MI/Detroit/24671 Grand River W                                | 3135381570 |
| 9151 Investment LLC                  | MI/Detroit/9151 Wyoming St                                    | 3136462521 |
| Hoelzer Family Restaurant LLC        | MI/Dexter/8041 Main St  | 7344268647 |
| Kadouh Brothers LLC                  | MI/East China/1980 River Rd                                   | 8103293539 |
| Oakland Family Restaurants Inc       | MI/Farmington Hills/22290 Middlebelt Rd                       | 2484783753 |
| Oakland Family Restaurants Inc       | MI/Farmington Hills/33326 12 Mile Rd                          | 2483240298 |
| Oakland Family Restaurants Inc       | MI/Farmington Hills/34414 W 8 Mile Rd                         | 2484719771 |
| Meyer, Spencer M / Meyer, Susan L    | MI/Ferndale/941 W 9 Mile Rd                                   | 2485917448 |
| BH Queen Enterprises LLC             | MI/Flat Rock/28918 Telegraph Rd                               | 7347829838 |
| Fraser Family Restaurants Inc        | MI/Fraser/34513 Utica Rd                                      | 5862931505 |
| M Manjo Inc                          | MI/Garden City/28825 Ford Rd                                  | 7344277850 |
| Dukus Dairy Inc                      | MI/Gibraltar/30030 S Gibraltar Rd                             | 7346756088 |
| Hughes Enterprises Inc               | MI/Grand Blanc/2251 E Hill Rd                                 | 8106957602 |
| Barwin, Jessica L                    | MI/Grand Rapids/1138 Walker Ave NW                            | 6164569393 |
| THKH Inc                             | MI/Grandville/Rivertown Crossing/3700 Rivertown Pkwy SW #2072 | 6165340879 |
| Gmcc Inc                             | MI/Grayling/305 S James St                                    | 9893441328 |
| Jayveer 1 Inc                        | MI/Greenville/1015 W Washington St                            | 6167544438 |
| Indigo Treat Investments LLC         | MI/Harrison/3187 N Clare Ave                                  | 9895397555 |
| 4U2 Hartland LLC                     | MI/Hartland/10500 Highland Rd                                 | 5173024961 |
| Lake Area Restaurants Inc            | MI/Highland/2330 S Milford Rd Ste 100                         | 2486849796 |
| Painter, Daniel W / Painter, Susan M | MI/Hillman/410 State St                                       | 9897424022 |
| TRS 2023 Inc                         | MI/Houghton/Huron Centre/902 Razorback Dr, Ste 12             | 9065235253 |
| TC Acquisitions Inc                  | MI/Howell/112 E Grand River Ave                               | 5175465030 |

**List of Franchised Locations**

| Franchisee   | Store Address                             | Phone      |
|--|---|------------|
| Angott, Greg L / Angott, Sherry L                            | MI/Jackson/106 N Elm Ave                  | 5177840085 |
| DQ of Kalamazoo Inc  | MI/Kalamazoo/1040 W Michigan Ave          | 2693432752 |
| DQ of Kalamazoo Inc  | MI/Kalamazoo/3130 Lovers Ln               | 2693823002 |
| DQ of Kalamazoo Inc  | MI/Kalamazoo/3300 Gull Rd                 | 2693835585 |
| Alliance Investment Corporation                              | MI/Keego Harbor/2886 Orchard Lake Rd      | 2486829250 |
| K & H Foods LLC  | MI/Lake Orion/1083 S Lapeer Rd            | 2488140747 |
| Karkau, Leif A   | MI/Lansing/3906 S Cedar St                | 5178820611 |
| Strong Ice Cream LLC   | MI/Lincoln Park/2356 Dix Rd               | 3133864311 |
| Sistylp Enterprises Inc                                      | MI/Lincoln Park/3134 Fort St              | 3133826450 |
| Nelson, Richard F / Nelson, Jane                             | MI/Ludington/66 S Pere Marquette Hwy (31) | 2318455611 |
| Store # 40608 LLC  | MI/Madison Heights/29371 Dequindre Rd     | 2483996233 |
| Jnm Operations LLC   | MI/Manistee/376 1st St                    | 2318874627 |
| Kadouh Brothers LLC  | MI/Marine City/236 Fairbanks St           | 8107655096 |
| Michigan Center Ice Cream LLC                                | MI/Michigan Center/224 5th St             | 5177643043 |
| Kenningston Soft Serve Inc                                   | MI/Milford/2020 S Milford Rd              | 2488207485 |
| Patrick, Michael J / Patrick, Sandra L                       | MI/Mount Clemens/353 N Gratiot Ave        | 5864687061 |
| Mm Wagner Corporation  | MI/Mount Pleasant/210 S Mission St Ste A  | 9897734700 |
| Dickenshied, Patrick J / Dickenshied, Lisa M                 | MI/Munising/221 W Munising Ave            | 9063871800 |
| New Baltimore Treats Inc                                     | MI/New Baltimore/35654 Green St           | 5867259779 |
| Russo and Russo LLC  | MI/Niles/1445 Oak St                      | 2696835852 |
| Oakland Family Restaurants Inc                               | MI/Novi/41490 Grand River Ave Ste E       | 2484491766 |
| Oakland Family Restaurants Inc                               | MI/Novi/48955 Grand River Ave/Suite 200   | 2484807778 |
| Jennings, George J / Jennings, Shauna J                      | MI/Oscoda/100 N State St                  | 9893292503 |
| Ignasiak, Gary / Ignasiak, Pamela Ann / Ignasiak, Ryan M     | MI/Pontiac/1525 Baldwin Ave               | 2483388636 |
| DQ of Kalamazoo Inc  | MI/Portage/309 E Centre Ave               | 2692715440 |
| 461 West Houghton Lake LLC                                   | MI/Prudenville/961 W Houghton Lk Dr       | 9893665129 |
| Ignasiak, Susan Marie / Ignasiak, Gary R / Ignasiak, David R | MI/Quincy/145 E Chicago St                | 5176399515 |

**List of Franchised Locations**

| Franchisee                         | Store Address  | Phone      |
|------------------------------------|--|------------|
| ROLI LLC                           | MI/Richmond/68020 S Main St                                      | 5867272146 |
| Msmap Inc                          | MI/River Rouge/10940 W Jefferson Ave                             | 3132977737 |
| Keller, Kurt S                     | MI/Rochester/743 N Main St                                       | 2486513989 |
| Sjm Development LLC                | MI/Romeo/268 S Main St   | 5867527321 |
| Consumption Inc                    | MI/Royal Oak/3201 Rochester Rd                                   | 2485892422 |
| Hope, Elizabeth A / Hope, Thomas A | MI/Saint Clair Shores/26135 Harper Ave                           | 5867780950 |
| Mjpi Enterprises Inc               | MI/Saline/400 E Michigan Ave                                     | 7344294830 |
| Soo Sundaes LLC                    | MI/Sault Sainte Marie/2100 Ashmun St                             | 9066350371 |
| Store #13283 LLC                   | MI/Shelby Township/52869 Hayes Rd                                | 5862474498 |
| Store 40414 LLC                    | MI/Shelby Township/54804 Shelby Rd                               | 2486563881 |
| Oakland Family Restaurants Inc     | MI/South Lyon/22253 Pontiac Trl                                  | 2484864953 |
| Glenn Paquette Inc                 | MI/Southgate/13132 Eureka Rd                                     | 7342859155 |
| Kanaan Trading LLC                 | MI/Sterling Heights/33170 Ryan Rd                                | 5867953169 |
| Mgcc Inc                           | MI/Traverse City/1764 US Hwy 31 N                                | 2319380441 |
| CCTC Inc                           | MI/Traverse City/Grand Traverse Mall/3200 S Airport Rd W Ste 612 | 2319354333 |
| Tefend, Fred W / Tefend, Beverly J | MI/Trenton/1614 West Rd  | 7346920620 |
| Maple Treats Inc                   | MI/Troy/2879 W Maple Rd  | 2482887710 |
| Khammo & Alexander Inc             | MI/Troy/6017 Rochester Rd  | 2488790682 |
| MARSO LLC                          | MI/Troy/Oakland Mall/316 W 14 Mile Rd                            | 5173036683 |
| Farida Ventures Inc                | MI/Walled Lake/551 N Pontiac Tr                                  | 2486244201 |
| Consumption Inc                    | MI/Warren/23515 Ryan Rd  | 5867572940 |
| Cordaro Treats LLC                 | MI/Warren/Hoover Eleven Plaza/26633 Hoover Rd                    | 5867559900 |
| Waterford Treats Inc               | MI/Waterford/4683 Dixie Hwy                                      | 2486740030 |
| M59DQ LLC                          | MI/Waterford/5608 Highland Rd                                    | 2486738125 |
| Mjp Group Inc                      | MI/Wayne/3007 Wayne Rd S   | 7347291020 |
| Oakland Family Restaurants Inc     | MI/West Bloomfield/6931 Orchard Lake Rd                          | 2485384020 |
| Jo Cool LLC                        | MI/West Branch/711 W Houghton Ave                                | 9893455600 |



**List of Franchised Locations**

| Franchisee                                       | Store Address  | Phone      |
|--|--|------------|
| Lake Area Restaurants Inc                        | MI/White Lake/10531 Highland Rd Ste 109                        | 2486982899 |
| Lake Area Restaurants Inc                        | MI/Wixom/49062 Pontiac Trl                                     | 2486696440 |
| Shbaro Enterprises LLC                           | MI/Ypsilanti/101 Michigan Ave E                                | 7344827374 |
| D-Que Holdings Inc                               | MN/Alexandria/907 N Nokomis                                    | 3207636900 |
| AMP Bemidji Inc                                  | MN/Bemidji/700 Paul Bunyan Drive S                             | 2184442108 |
| Sweet Treats of Benson LLC                       | MN/Benson/2214 Atlantic Ave                                    | 3208433939 |
| C & B Treats LLC                                 | MN/Blaine/8528 Central Ave NE                                  | 7637842160 |
| Zenith 11 MN LLC                                 | MN/Bloomington/Mall Of America/282 East Broadway               | 9784061255 |
| Brainerd Ice Box Investments Inc                 | MN/Brainerd/12 Washington St                                   | 2188294655 |
| Carab LLC  | MN/Brooklyn Park/8555 Edinburgh Center Dr                      | 7634257100 |
| Jh and Sons Enterprises Inc                      | MN/Cambridge/811 Main St S                                     | 7636894298 |
| Letness, Thomas E                                | MN/Columbia Heights/3959 Central Ave NE                        | 7637817856 |
| Lee, Tou Fue / Plaisted, Allen M / Gerry, Mark I | MN/Cottage Grove/7175 80th St S                                | 6514595511 |
| Loken Enterprises LLC                            | MN/Crookston/1740 University Ave                               | 2182814421 |
| Koltes Enterprises LLC                           | MN/Duluth/4431 Grand Ave                                       | 2186245702 |
| Synergy Investments IV Inc                       | MN/Eden Prairie/Eden Prairie Mall/8251 Flying Cloud Dr Ste 125 | 9522531122 |
| Double Trouble Treats LLC                        | MN/Fairmont/1326 E Blue Earth Ave                              | 5072355005 |
| Hendrickson & Associates Inc                     | MN/Faribault/309 Lyndale Ave N                                 | 5073343700 |
| Waska Treats Inc                                 | MN/Glenwood/243 Minnesota Ave W                                | 3206344956 |
| Lommen, John D                                   | MN/Golden Valley/7825 Medicine Lake Rd                         | 7635421764 |
| Plaisted, A / Plaisted, K / Gerry, M / Gerry, J  | MN/Hastings/1205 Vermillion St                                 | 6514373370 |
| Emanuel & Emanuel A Partnership                  | MN/Hibbing/615 W 41st St                                       | 2182622444 |
| Pettit, David A (Estate)                         | MN/Hopkins/1800 Main St  | 9529300202 |
| Mark Schultz and Kendra Hoehn LLC                | MN/Janesville/106 E 1st St                                     | 5072345426 |
| Rhjt Inc   | MN/Lake City/821 N Lakeshore Dr                                | 6514488277 |
| K&M Curls LLC                                    | MN/Lexington/4131 Woodland Rd                                  | 7637864663 |
| Lucky Treats LLC                                 | MN/Litchfield/1009 N Sibley Ave (Hwy 12)                       | 3202213174 |

**List of Franchised Locations**

| Franchisee  | Store Address  | Phone      |
|---|--|------------|
| Ninja Restaurants Inc                               | MN/Little Falls/1012 Haven Rd  | 3206326494 |
| Smidt, Rita / Smidt, Gary                           | MN/Marshall/401 Country Club Dr  | 5075326404 |
| Starr 3747 Inc                                      | MN/Minneapolis/3747 13th Ave S   | 6128222393 |
| Lee, Tou Fue  | MN/Minneapolis/4400 E Lake St  | 6127212007 |
| Wilson LLC  | MN/Minneapolis/4719 Lyndale Ave N                                      | 6125212422 |
| March Enterprises LLC                               | MN/Minneapolis/4740 Minnehaha Ave                                      | 6127215400 |
| D F Austin Inc                                      | MN/Minneapolis/6014 S Portland Ave                                     | 6128696171 |
| Synergy Investments IV Inc                          | MN/Minnetonka/12940 Minnetonka Blvd                                    | 9529382981 |
| Deleon, Troy L / Deleon, Diane R                    | MN/Moorhead/24 S 8th St  | 2182333221 |
| Nos Treats Inc                                      | MN/New Brighton/2200 Silver Lake Rd NW                                 | 6516339728 |
| Larson, Shelly Jo / St Polo LLC / Larson, Timothy J | MN/New Brighton/409 Old Hwy 8 NW                                       | 6516366560 |
| Jp Taylor Inc                                       | MN/Nisswa/25312 Main St  | 2189632163 |
| Busterbarbob Inc                                    | MN/Northfield/900 Highway 3 N  | 5076458912 |
| Skthom Inc  | MN/Paynesville/823 W Minnesota St                                      | 3202434676 |
| J & H Pine City Enterprises Inc                     | MN/Pine City/1000 Main St S  | 3206293660 |
| Cj Enterprises of Pipestone LLC                     | MN/Pipestone/301 8th Ave SE  | 5078253655 |
| Plaisted, A / Plaisted, K / Gerry, M / Gerry, J     | MN/Richfield/16 E 66th St  | 6128616151 |
| Tacks of Minnesota LLC                              | MN/Robbinsdale/4017 W Broadway Ave                                     | 7635338072 |
| Jtrh Inc  | MN/Roseville/1720 Lexington Ave N                                      | 6514894182 |
| Rhjt Inc  | MN/Roseville/1739 Rice St  | 6514898900 |
| His Management Group Inc                            | MN/Roseville/3070 Lexington Ave N                                      | 6514819007 |
| REWA Corp   | MN/Roseville/Rosedale Center/1595 Highway 36 W Space 722               | 6516362693 |
| Hofmann, Keith / Hofmann, Jessica                   | MN/Saint Anthony/2612 Hwy 88   | 6127812429 |
| Lahr, Gene G / Lahr, Barbara                        | MN/Saint Cloud/24 25th Ave S   | 3202523023 |
| Treat Yourself LLC                                  | MN/Saint Francis/Saint Francis City Center/23212 Saint Francis Blvd NW | 7639549340 |
| Swanson Enterprises LLC                             | MN/Saint James/1312 7th Ave S  | 5073754820 |
| Toffi LLC   | MN/Saint Paul/1537 White Bear Ave N                                    | 6517561535 |

**List of Franchised Locations**

| Franchisee                            | Store Address   | Phone      |
|---------------------------------------|---|------------|
| Plaisted, Allen / Plaisted, Tim       | MN/Saint Paul/565 Earl St                                     | 6512313796 |
| Hagert, Brenda L                      | MN/Sanborn/32948 US Hwy 14                                    | 5076483575 |
| Kaianne Shakers Inc                   | MN/Sauk Rapids/501 N Benton Dr                                | 3202551697 |
| Lee, Tou Fue                          | MN/South Saint Paul/602 Southview Blvd                        | 6514518639 |
| Himmel LLC                            | MN/Two Harbors/530 7th Ave                                    | 2188344105 |
| Roley, Richard C                      | MN/Warren/110 W Fletcher Ave                                  | 2187454209 |
| Plaisted, Rick L / Plaisted, Gloria   | MN/Wayzata/3574 Shoreline Dr                                  | 9524717845 |
| Slavik, John                          | MN/West Saint Paul/1110 S Robert St                           | 6514571535 |
| Plaisted, Jeffery / Plaisted, Vicki L | MN/White Bear Lake/4047 Hwy 61                                | 6514269034 |
| Gamradt, Larry L / Gamradt, Jeanne M  | MN/Window/1350 1st Ave  | 5078311948 |
| Gratitude Queen Restaurants LLC       | MO/Afton/9529 Gravois Rd                                      | 3146389529 |
| Ayers Oil Corporation                 | MO/Hannibal/306 Highway 61 S                                  | 5732218022 |
| Truckstop Distributors Inc            | MO/Joplin/4240 Highway 43                                     | 4176216157 |
| Fast N Friendly LLC                   | MO/Kansas City/14420 E Highway 40                             | 8164788060 |
| Ashlock, Patricia L                   | MO/Saint Joseph/3202 St Joseph Ave                            | 8162335495 |
| Ashlock, Patricia L                   | MO/Saint Joseph/4105 S US Highway 169                         | 8162329911 |
| Mmp Enterprise LLC                    | MO/Windsor/500 S Main St                                      | 6606473763 |
| Rspc Inc                              | NE/Lincoln/3835 South St                                      | 4024898368 |
| PDQ Inc                               | NE/Papillion/345 S Washington St                              | 4023398510 |
| Jonmar Inc                            | NV/Henderson/The Galleria At Sunset/1300 W Sunset Rd Ste 2829 | 7024331273 |
| R&K 24 Group LLC                      | NV/Pahrump/Pahrump Valley Junction/20 S Highway 160 Space 109 | 7757512177 |
| MOOLA LLC                             | NH/Laconia/1126 Union Ave                                     | 6035242253 |
| Dion, David C                         | NH/Manchester/The Mall Of New Hampshire/1500 S Willow St      | 6032326288 |
| Minas Tirith Inc                      | NH/Merrimack/80 Premium Outlets Blvd, Ste 353                 | 6034247223 |
| Udder Ecstasy Corp                    | NH/Nashua/Pheasant Lane Mall/310 Daniel Webster Hwy F-101     | 6038884602 |
| Cow Enterprise of Salem Corp          | NH/Salem/Mall T Rockingham Park/99 Rockingham Park Blvd       | 6034753118 |
| Tilton Treats LLC                     | NH/Tilton/585 W Main St                                       | 6032863205 |

**List of Franchised Locations**

| Franchisee   | Store Address   | Phone      |
|--|---|------------|
| Koontz Ice Cream LLC   | NM/Albuquerque/427 Isleta Blvd SW                           | 5058779742 |
| Icemgt Inc   | NM/Albuquerque/5900 Eubank Blvd Ne, Ste E6                  | 5052985900 |
| Kalima Inc   | NM/Albuquerque/6370 Coors Rd NW                             | 8472801550 |
| Villarreal, Bethany E  | NM/Albuquerque/The Shops At Holly/6600 Holly Ave NE Ste B-1 | 5058232000 |
| Three Scoops LLC   | NM/Gallup/2000 E Historic Hwy 66                            | 5058635172 |
| Apodaca, R Michael / Apodaca, Jeannette L / Apodaca, Michael | NM/Las Cruces/4125 White Sage Arc                           | 5752881722 |
| Jalak Enterprises Inc  | NY/Buffalo/1102 Abbott Rd                                   | 7168228450 |
| GRL Enterprises LLC  | NY/BUFFALO/261 KENMORE AVE                                  | 7168332834 |
| Tangen Dairy Products Inc                                    | NY/Buffalo/782 Niagara Fls Blvd                             | 7168342447 |
| Pork Chop Inc  | NY/Cheektowaga/3759 Harlem Rd                               | 7168366791 |
| 716 Dilly Inc  | NY/Cheektowaga/465 French Rd                                | 7166770234 |
| Depew Dairy Queen Inc  | NY/Depew/5016 Broadway                                      | 7166832050 |
| Gawron Group Inc   | NY/Eden/8380 N Main St                                      | 7169929410 |
| Dawner Enterprises Ltd                                       | NY/Hamburg/250 Lake St                                      | 7166496972 |
| JK Collins Foods LLC   | NY/Kenmore/2517 Elmwood Ave                                 | 7168758821 |
| Jnd Sweets Inc   | NY/Lackawanna/3126 S Park Ave                               | 7168253714 |
| Gallo, Louis   | NY/Newburgh/197 S Plank Rd                                  | 8455644020 |
| Schmelzle, Mona L  | NY/Niagara Falls/2301 Military Rd                           | 7162970529 |
| Goodhue Group Soft Serv Inc                                  | NY/Oneonta/413 Chestnut St                                  | 6074328142 |
| MAPJR Inc  | NY/Tonawanda/100 Niagara St                                 | 7166958259 |
| Trav-Nic Corp Ltd  | NY/Tonawanda/922 Brighton Rd                                | 7168335066 |
| Transit Treats Inc   | NY/Williamsville/5445 Transit Rd                            | 7166891775 |
| Refuel Operating Company LLC                                 | NC/Albemarle/1904 US Highway 52 N                           | 9193770134 |
| Hamad, Summer / Hamad, Samer A                               | NC/Atlantic Beach/2610 W Fort Macon Rd                      | 2527263039 |
| Doerr Inc  | NC/Avon/39774 Hwy 12  | 2529865075 |
| Refuel Operating Company LLC                                 | NC/Biscoe/520 E Main St                                     | 9108284101 |
| Circle K Stores Inc  | NC/Cameron/2531 NC Highway 87 S                             | 9194999712 |

**List of Franchised Locations**

| Franchisee                                      | Store Address  | Phone      |
|---|--|------------|
| Cason Companies Inc                             | NC/Canton/761 Champion Dr  | 8286488517 |
| Infinite Dream LLC                              | NC/Charlotte/108B S Sharon Amity Rd                                    | 7043679151 |
| Walters, Lacy / Walters, Blenda                 | NC/Charlotte/2732 Wilkinson Blvd                                       | 7043991385 |
| Ayushi Foods Corporation                        | NC/Charlotte/3020 Prosperity Church Rd                                 | 7045478886 |
| Peterson Jr, William P                          | NC/Clinton/1837 Southeast Blvd   | 9105921844 |
| Shamim Inc                                      | NC/Corolla/Monteray Plaza Shopping Center/807 Ocean Trl                | 2525971708 |
| Sadler Brothers Oil Company Inc                 | NC/Dunn/65 Sadler Rd   | 9108970123 |
| Sweet Investments LLC                           | NC/Fayetteville/430 Westwood Shopping Center                           | 9108604475 |
| Refuel Operating Company LLC                    | NC/Fayetteville/6047 Camden Rd   | 9102235115 |
| Refuel Operating Company LLC                    | NC/Fayetteville/8285 Cliffdale Rd                                      | 9102237447 |
| Fuquay Treats LLC                               | NC/Fuquay Varina/1408 N Main St  | 9195673738 |
| SMZ Inc   | NC/Goldsboro/Market Place Shopping Center/1803 Wayne Memorial Dr Ste A | 9197367774 |
| Basily LLC                                      | NC/Greensboro/1708 Stanley Rd E  | 3366817280 |
| Bhonhariya, Abdulrahim N / Bhonhariya, Shamim A | NC/Havelock/120 W Main St  | 8434414328 |
| Burns, Patricia                                 | NC/Hickory/1124 1st Ave SW   | 8283270236 |
| Thomas, Laverne M (Estate)                      | NC/Jacksonville/200 Wilmington Hwy (Hwy 17 S)                          | 9104552510 |
| Corbitt Partners LLC                            | NC/Kenly/923 Johnston Pkwy/Rental Unit #4                              | 9195027044 |
| Dairy Queen of The Outer Banks Inc              | NC/Kill Devil Hills/109 E Ocean Bay Blvd                               | 2524802342 |
| Refuel Operating Company LLC                    | NC/Locust/1204 W Main St   | 7047810468 |
| SMZ Inc   | NC/Louisburg/317 S Bickett Blvd  | 9194961555 |
| Anytable Inc                                    | NC/Lumberton/5030 Fayetteville Rd Ste B                                | 9106744557 |
| Buster & Dill LLC                               | NC/Matthews/1819 Matthews Township Pkwy Ste 900                        | 7048478085 |
| 2B3G LLC  | NC/Mooresville/223 Medical Park Rd                                     | 7047990270 |
| Kausar-Sara Inc                                 | NC/New Bern/2401 Dr M L King Jr Blvd                                   | 8434434450 |
| Hamad, Samer A                                  | NC/Pine Knoll Shores/NC Aquarium/1 Roosevelt Blvd                      | 2522220201 |
| Fresh Starts LLC                                | NC/Raleigh/Brier Creek Commons/8321 Brier Creek Pkwy Ste 101           | 9194842230 |
| Happy Treats Inc                                | NC/Rockingham/110 W Broad Ave  | 9109953623 |

**List of Franchised Locations**

| Franchisee                            | Store Address                               | Phone      |
|---------------------------------------|---|------------|
| Circle K Stores Inc                   | NC/Sanford/2206 Jefferson Davis Hwy         | 9197777255 |
| Refuel Operating Company LLC          | NC/Southern Pines/1035 S Knoll Rd           | 9106951994 |
| One Ganesh Ventures LLC               | NC/Wake Forest/12271 Capital Blvd           | 9195542564 |
| Doerr Inc                             | NC/Waves/25199 Lela Ct                      | 2529875061 |
| Womble, Harry G (Estate)              | NC/White Lake/1608 White Lake Dr            | 9108624064 |
| Berawi LLC                            | NC/Wilson/3800 Nash St N                    | 2522340336 |
| Gf Washington Inc                     | ND/Grand Forks/1205 S Washington St         | 7017755422 |
| R & L Hospitality of Beulah Inc       | ND/Minot/Dakota Square Mall/2400 10th St SW | 7018398074 |
| Calmic Inc                            | OH/Akron/260 E Cuyahoga Falls Ave           | 3304343018 |
| Ashtabula Dairy Queen LLC             | OH/Ashtabula/1550 W Prospect Rd             | 4409975757 |
| Rds Service Enterprises LLC           | OH/Ashtabula/1723 E Prospect Rd             | 4409926455 |
| Smith, Raymond L / Smith, Christine D | OH/Austintown/146 N Canfield Niles Rd       | 3307923765 |
| Grim, Mark S / Grim, Kriste L         | OH/Beavercreek/4148 Dayton-Xenia Pike       | 9374265733 |
| Blue Ash DQtreats Inc                 | OH/Blue Ash/4820 Cooper Rd                  | 5137949740 |
| CanfieldDQe Inc                       | OH/Canfield/101 S Broad St                  | 3305336647 |
| Diya Treats LLC                       | OH/Centerville/9110 Dayton Lebanon Pike     | 9374343240 |
| R & G Concepts LLC                    | OH/CINCINNATI/10091 SPRINGFIELD PIKE        | 5137711137 |
| Raahi LLC                             | OH/Cincinnati/11420 Montgomery Rd           | 5134896220 |
| Paragon Professional Services LLC     | OH/Cincinnati/8082 Beechmont Ave            | 5134749337 |
| Caldwell Confections LLC              | OH/Cortland/194 S High St                   | 3306381557 |
| B & L Frozen Desserts Inc             | OH/Dayton/1042 Shroyer Rd                   | 9372983751 |
| Hilgefords, Drew A                    | OH/Dayton/4812 Airway Rd                    | 9372538314 |
| Rolyn Inc                             | OH/Dayton/5668 Springboro Pike              | 9372969125 |
| Norman Co Ltd                         | OH/Duncan Falls/288 Main St                 | 7406744607 |
| C6 Treats, LLC                        | OH/Fazeysburg/27 E 3rd St                   | 7408282754 |
| Kmm Treats LLC                        | OH/Fremont/1312 Oak Harbor Rd               | 3092876066 |
| Tucker, Marissa                       | OH/Fremont/1401 E State St                  | 4193320335 |

**List of Franchised Locations**

| Franchisee   | Store Address                                      | Phone      |
|--|--|------------|
| Sezon, Ed  | OH/Geneva/5377 Lake Rd E                           | 4404668720 |
| Suich, Charles W / Suich, Angela M / Suich, Robert E | OH/Girard/201 S State St                           | 3305452661 |
| HubbardDQE Inc                                       | OH/Hubbard/119 Youngstown Rd                       | 3305064487 |
| Brewer, Larry G / Brewer, Carol A                    | OH/Huber Heights/6353 Brandt Pike                  | 9372353496 |
| J & J Service Co Inc                                 | OH/Kettering/2056 E Dorothy Ln                     | 9372947408 |
| SPGR Enterprises Inc                                 | OH/North Canton/1664 N Main St                     | 3304974500 |
| Edm Restaurant Holdings LLC                          | OH/North Jackson/11052 Mahoning Ave                | 3305382595 |
| Jay Visat Krupa Inc                                  | OH/Ravenna/333 E Main St                           | 3302965167 |
| Stegeman, George / Stegeman, Gail                    | OH/Saint Bernard/4437 Vine St                      | 5136412100 |
| Sur's Chocolate Corp                                 | OH/Springfield/721 N Bechtle                       | 9373259572 |
| Jns Inc  | OH/Strongsville/Southpark Center/856 Southpark Ctr | 4405729863 |
| Dalqan Holdings LLC                                  | OH/Struthers/928 Youngstown Poland Rd              | 3307579618 |
| Brewer, Larry G / Brewer, Carol A                    | OH/Tipp City/513 W Main St                         | 9376676580 |
| By Enterprises Partnersh                             | OH/Toledo/3131 W Alexis Rd                         | 4197208742 |
| Haidous Toledo Treats LLC                            | OH/Toledo/5300 Monroe St                           | 4198410854 |
| Dunn & Bowling Ltd                                   | OH/Upper Sandusky/1290 N Warpole St                | 4192943140 |
| KBSDQ LLC  | OH/Urbana/1047 N Main St                           | 9376537619 |
| Campbell Oil Company                                 | OH/Wadsworth/835 High St                           | 3303364714 |
| Caldwell Confections LLC                             | OH/Warren/119 W State Rd                           | 3308478580 |
| Smith, Christopher D                                 | OH/Warren/1628 W Market St                         | 3302336732 |
| Niemi, Edwin M / Niemi, Eileen A / Niemi, Anthony E  | OH/Warren/2123 Elm Rd NE                           | 3303724623 |
| S&A Treats Inc                                       | OH/Warren/6033 E Market St                         | 3306095070 |
| Smith, Raymond L                                     | OH/Youngstown/3555 S Meridian Rd                   | 3307995295 |
| Dt Duvall & Associates LLC                           | OH/Youngstown/817 McCartney Rd                     | 3307440053 |
| Campbell, Jeffrey P / Grizzard, C William            | OH/Zanesville/1629 Maysville Ave                   | 7404536930 |
| Cf Treats Atoka LLC                                  | OK/Atoka/804 S Mississippi Ave                     | 5808897919 |
| C & P Stuever Holdings LLC                           | OK/Blackwell/801 S Main St                         | 5803632441 |

**List of Franchised Locations**

| Franchisee                                      | Store Address   | Phone      |
|---|---|------------|
| Cf Treats Caddo LLC                             | OK/Caddo/830 Buffalo St   | 5803672611 |
| Branch, Fields Brandon / Branch, Brenda Gaylene | OK/Okmulgee/1000 E 6th St                                       | 9187564554 |
| LG2 LLC   | OK/Tishomingo/404 W Main St                                     | 5803712366 |
| Mcgee, Shirley A                                | OK/Wetumka/117 E Highway 9                                      | 4054523302 |
| Vassar, Kenneth                                 | OK/Woodward/1223 Main St  | 5802562397 |
| RJ Ventures Inc                                 | OR/Portland/Lloyd Center/2314 Lloyd Ctr                         | 5032872627 |
| Aston Treats LLC                                | PA/Aston/5031 Pennell Rd  | 6104949949 |
| Kutza Enterprises Inc                           | PA/Avis/3234 Woodward Ave                                       | 5707538643 |
| For Tomorrow Investments LLC                    | PA/Bethel Park/4846 Library Rd                                  | 4128351061 |
| Kool Sips Inc                                   | PA/Camp Hill/Capital City Mall/3652 Capital City Mall Dr # 218b | 7177612810 |
| Papa and Associates LLC                         | PA/Carlisle/221 Penrose Pl                                      | 7172498655 |
| Management Sales Inc                            | PA/Columbia/1624 Lancaster Ave                                  | 7176843874 |
| Cook, William / Cook, Melinda                   | PA/Dillsburg/825 N US Highway 15                                | 7174320396 |
| Dqjordan LLC                                    | PA/Drexel Hill/710 N Lansdowne Ave                              | 6106261830 |
| DuBois Cones Inc                                | PA/Du Bois/2937 Blinker Pkwy                                    | 8143717160 |
| Hossain, Sakawath / Rahman, Sayma               | PA/Easton/Palmer Park Mall/2455 Park Ave, #131                  | 6102585926 |
| Dairy Queen of Ephrata Inc                      | PA/Ephrata/181 S Reading Rd                                     | 7177339694 |
| DJMASLOW Inc                                    | PA/Gettysburg/915 York Rd                                       | 7173344411 |
| OM ONE LLC                                      | PA/Harrisburg/3890 Walnut St                                    | 7175456844 |
| DQH LLC   | PA/Huntingdon/10241 William Penn Hwy                            | 8146432376 |
| Crouse, Fred R (Estate)                         | PA/Kingston/473 Wyoming Ave                                     | 5702870364 |
| Stillman, G Patrick / Stillman, Beulah R        | PA/Lancaster/1935 Columbia Ave                                  | 7173946923 |
| Royal Group Inc                                 | PA/Lebanon/1512 E Cumberland St                                 | 7172729922 |
| Donmoyer's Dairy Queen Inc                      | PA/Lebanon/2600 Cumberland St                                   | 7172728786 |
| KGMIC Inc                                       | PA/Mechanicsburg/607 E Simpson St                               | 7177668231 |
| Kool Sips Inc                                   | PA/New Cumberland/Fairview Plaza/110 Old York Rd                | 7177742036 |
| Spires, Matthew D                               | PA/North Apollo/2130 River Rd                                   | 7244781291 |



**List of Franchised Locations**

| Franchisee   | Store Address  | Phone      |
|--|--|------------|
| Donmoyer's Dairy Queen Inc                             | PA/Palmyra/North Londonderry Shopping Center/5 N Londonderry Sq        | 7178385900 |
| Ssasm LLC  | PA/Pittsburgh/1039 Perry Hwy   | 4123641771 |
| ELLCO Enterprise LLC                                   | PA/Pittsburgh/268 Settlers Ridge Center Dr                             | 4127477557 |
| Shanahan, Beverly Ann / Shanahan, Thomas S             | PA/Pittsburgh/3002 Babcock Blvd  | 4129314204 |
| Ohio River Restaurant LLC                              | PA/Pittsburgh/4276 Ohio River Blvd                                     | 4126895671 |
| Brijak Inc   | PA/Pottsville/465 N Claude A Lord Blvd                                 | 5706227868 |
| T & J Hodgdon LLC                                      | PA/Saint Marys/802 S Saint Marys St                                    | 8143356495 |
| Rkaa Ventures LLC                                      | PA/Scranton/Viewmont Mall/6 Viewmont Mall                              | 5709631591 |
| OMM THREE LLC  | PA/Sinking Spring/4399 Penn Ave  | 4845095176 |
| Smark Inc  | PA/Springfield/747 W Sproul Rd   | 6105438828 |
| OMM TWO LLC  | PA/Temple/4901 5th Street Hwy  | 6104065957 |
| Fuchs Enterprises LLC                                  | PA/Verona/4237 Verona Rd   | 4122421722 |
| JHDQ West Mifflin LLC                                  | PA/West Mifflin/400 Lebanon Rd   | 4124617513 |
| Gentzler, P Kenneth / Gentzler, Sherrie A              | PA/York/1455 S Queen St  | 7178452243 |
| Beautiful Day Inc                                      | PA/York/3020 E Market St   | 7177572221 |
| Lt Treats Inc  | RI/Providence/Providence Place Mall/1 Providence Pl                    | 4016546084 |
| SDQ LLC  | SC/Summerville/1525 Old Trolley Rd                                     | 8438716695 |
| Sioux City DQ Inc / Aftershock Ventures LLC            | SD/Dell Rapids/404 N Hwy 77  | 6054285500 |
| Rushmore Canyon Inc                                    | SD/Rapid City/Rushmore Mall/2200 N Maple Ave #601                      | 6053483186 |
| Hatchel Enterprises Inc                                | TN/Martin/555 Elm St   | 7315873511 |
| Beasley, Connie Sue                                    | TN/Mc Kenzie/15680 Highland Dr   | 7313522454 |
| Thomas, Jason R / Thomas, Kristin A / Roark, Phillis J | TN/Tiptonville/121 Carl Perkins Pkwy                                   | 7312536311 |
| The Teton Group LLC                                    | UT/Layton/Layton Hills Mall/1076 Layton Hills Mall                     | 8014979330 |
| The Teton Group LLC                                    | UT/Murray/Fashion Place Mall/6191 S State St Ste 336                   | 3854453951 |
| The Teton Group LLC                                    | UT/Sandy/South Towne Center/10450 S State St, Space #fc-10             | 8015800492 |
| S&T Sweet Treats Inc                                   | WA/Auburn/The Outlet Collection/1101 Outlet Collection Way SW, STE 145 | 2537358148 |
| The Life of Riley LLC                                  | WA/Puyallup/South Hill Mall/3500 S Meridian #f18                       | 2538455014 |

**List of Franchised Locations**

| Franchisee                                  | Store Address  | Phone      |
|---|--|------------|
| S&T Sweet Treats Inc                        | WA/Tacoma/Tacoma Mall/4502 S Steele St, Ste 519                | 2534724885 |
| Satterfield, Byron K                        | WV/Bluefield/1901 Bluefield Ave                                | 3043256657 |
| Satterfield, Byron K                        | WV/Bluefield/3136 Cumberland Rd                                | 3043256652 |
| Booth, Sarah E                              | WV/Buckhannon/58 E Main St                                     | 3044727333 |
| Clendenin, Edwin L / Thornton, Brenda D     | WV/Eleanor/302 Roosevelt Blvd                                  | 3045869352 |
| Peppermint Creek LLC                        | WV/Gassaway/99 N Elk St  | 3043642428 |
| Lefevre Corporation                         | WV/Grafton/805 N Pike St                                       | 3042651710 |
| Vance Properties Inc                        | WV/Hinton/HC 78 Box 6  | 3044661700 |
| D & D Lc                                    | WV/Martinsburg/1016 N Queen St                                 | 3042636735 |
| D & D Lc                                    | WV/Martinsburg/822 Winchester St                               | 3042674791 |
| Diehl, Stephen F / Tillis, Amy M            | WV/Nitro/3601 36th St  | 3047554690 |
| Peppermint Creek of Point Pleasant LLC      | WV/Point Pleasant/2208 Jackson Ave                             | 3048125115 |
| Satterfield, Byron K                        | WV/Princeton/314 S Walker St                                   | 3044259845 |
| Satterfield, Byron K                        | WV/Princeton/519 Oakvale Rd                                    | 3044253700 |
| D & D Lc                                    | WV/Ranson/109 S Mildred St                                     | 3047257417 |
| D & D Lc                                    | WV/Shepherdstown/45 Maddex Square Dr                           | 3045794999 |
| BFS Foods Inc                               | WV/Weston/57 Bfs Blvd  | 3042691734 |
| Boyd, Conner Jean                           | WV/Wheeling/2128 National Rd/Elm Grove                         | 3042422120 |
| Tnt Treat LLC                               | WI/Ashland/501 Lake Shore Dr E                                 | 7156824141 |
| Kook's Beaver Dam LLC                       | WI/Beaver Dam/1501 N Center St                                 | 9208872048 |
| BDQ LLC                                     | WI/Burlington/324 S Pine St                                    | 2627639385 |
| Reuter, Thomas R / SanDQuist Reuter, Myra K | WI/Chippewa Falls/124 E Park Ave                               | 7157237911 |
| Draeger, Daniel J                           | WI/Clintonville/290 S Main St                                  | 7158233644 |
| Food Service Group LLC                      | WI/Cumberland/1655 Superior Ave                                | 7158222536 |
| Tasty Treats of Green Bay LLC               | WI/De Pere/1081 N Broadway                                     | 9203364717 |
| Eau Zone Inc                                | WI/Eau Claire/Action City @ Metropolis Resort/5150 Fairview Dr | 7158526000 |
| Pinehurst Foods Inc                         | WI/Eau Claire/Oakwood Mall/4800 Golf Rd, Ste 139               | 7158355958 |

**List of Franchised Locations**

| <b>Franchisee</b>                    | <b>Store Address</b>                 | <b>Phone</b> |
|--------------------------------------|--------------------------------------|--------------|
| Tasty Treats of Green Bay LLC        | WI/Green Bay/1301 Main St            | 9204350104   |
| Cpk Enterprises Inc                  | WI/Kenosha/2707 22nd Ave             | 2626526524   |
| Plaisted, Terry L                    | WI/Kenosha/4301 Sheridan Rd          | 2626543000   |
| The Schnur Thing LLC                 | WI/Kiel/114 Fremont St               | 9208943367   |
| Station Treats LLC                   | WI/Madison/2856 University Ave       | 6082384511   |
| DQdipiti Inc                         | WI/Madison/7860 Mineral Point Rd     | 6088332080   |
| Nissen Inc                           | WI/Marshfield/1600 S Roddis Ave      | 7158981111   |
| Hanson, R Michael / Hanson, Beth Ann | WI/Merrill/905 N Center St           | 7155365821   |
| Bay Foods Inc                        | WI/Milwaukee/245 E Hampton Ave       | 4149629440   |
| ASB Ventures LLC                     | WI/New London/600 N Water St         | 9209823122   |
| Jay Kesar Racine LLC                 | WI/Racine/3320 Douglas Ave           | 2626397823   |
| VPM Inc.                             | WI/Racine/3918 Durand Ave            | 2625830226   |
| Adams, James A (Estate)              | WI/Rice Lake/224 S Main              | 7152344680   |
| Fourteen Foods LLC                   | WI/Sheboygan/2263 Calumet Dr         | 9204575878   |
| JH and Sons Sparta Enterprises Inc   | WI/Sparta/914 W Wisconsin            | 6082699191   |
| SturgeonDDQ LLC                      | WI/Sturgeon Bay/902 Egg Harbor Rd    | 9207435495   |
| T and N of Sun Prairie LLC           | WI/Sun Prairie/704 W Main St         | 6088376011   |
| Nissen Inc                           | WI/Tomah/218 E Clifton               | 6083724892   |
| Saliu, Argzon / Saliu, Lavdrim M     | WI/Viroqua/404 S Main St             | 6086377870   |
| Thomas Street Enterprises LLC        | WI/Wausau/145 E Thomas St            | 7158454744   |
| Shree Sai Krupa LLC                  | WI/Wausau/1938 Grand Ave             | 7158423961   |
| Dhyan Inc                            | WI/West Allis/10823 W Greenfield Ave | 4144538920   |
| Cmc LLC                              | WI/Wisconsin Dells/109 Broadway      | 6082548772   |
| Twist and Shout LLC                  | WI/Wisconsin Rapids/551 E Grand Ave  | 7154230920   |
| B & R Softserve Inc                  | WY/Sheridan/544 N Main St            | 3076749379   |

**List of Sub-Franchised Locations**

| Franchisee                                      | Store Address  | Phone      |
|---|--|------------|
| Yoo, Ho S                                       | AZ/Apache Junction/2300 W Apache Trl                               | 4809825723 |
| ANYVES GANUBA LLC                               | AZ/Bisbee/219 Bisbee Rd  | 5204324436 |
| MMPR Bullhead City Hospitality LLC              | AZ/Bullhead City/2179 Highway 95                                   | 6026123549 |
| Q2 Cool Ops LLC                                 | AZ/Coolidge/987 N Arizona Blvd                                     | 5206355695 |
| Kool Treats LLC                                 | AZ/Douglas/51 W 5th St   | 5203642542 |
| Menneke, Douglas W / Menneke, Donna             | AZ/Flagstaff/603 S Milton Rd                                       | 9287792028 |
| T & R Leon Ventures LLC                         | AZ/Green Valley/1051 W Beta St                                     | 4144678237 |
| MMPR Kingman Holdings LLC                       | AZ/Kingman/3152 N Stockton Hill Rd                                 | 6026123549 |
| Dove Mtn Treats LLC                             | AZ/Marana/12050 N Thornydale Rd Ste 100                            | 5206396525 |
| D S Enterprises Inc                             | AZ/Marana/Tucson Premium Outlet/6401 W Marana Center Blvd Ste: 919 | 4806321722 |
| DDQ LLC   | AZ/Payson/601 S Beeline Hwy  | 9284749137 |
| Safford Soft Serve LLC                          | AZ/Safford/807 W Thatcher Blvd                                     | 9283482572 |
| Q3 San Tan LLC                                  | AZ/San Tan Valley/38214 N Gantzel Rd                               | 4803885721 |
| Q3 Hunt LLC                                     | AZ/San Tan Valley/4059 W Hunt Hwy Ste 5                            | 4803885721 |
| MJK Sweet Treats LLC                            | AZ/Sierra Vista/1720 S Hwy 92                                      | 5206858784 |
| Bjf Financial Resources Limited Partnership     | AZ/Tucson/100 S Sarnoff Dr   | 5202964281 |
| VAH LLC   | AZ/Tucson/1025 E Irvington Rd                                      | 5202945962 |
| Q3 Alvernon Ops LLC                             | AZ/Tucson/1526 N Alvernon Way                                      | 5202696561 |
| Q3 Catalina                                     | AZ/Tucson/16054 N Oracle Rd  | 5206386431 |
| VAH LLC   | AZ/Tucson/1760 W Speedway Blvd                                     | 5206237862 |
| MMPR Tucson River Hospitality LLC               | AZ/Tucson/2170 W River Rd  | 6026123549 |
| VAH LLC   | AZ/Tucson/23 W Prince Rd   | 5208880560 |
| Hanson, Bette L / Enos, Shannon / Hogan, Dwayne | AZ/Tucson/4146 W Ina Rd  | 5207442121 |
| Q3 Pueblo LLC                                   | AZ/Tucson/4889 W Ajo Hwy Ste 105                                   | 4803885721 |
| Hungate, Bruce A / Hungate, Jacqueline I        | AZ/Tucson/501 N 4th Ave  | 5208820959 |
| CTP Financial LLC                               | AZ/Tucson/5762 E 22nd St   | 5207900769 |
| VAH LLC   | AZ/Tucson/5960 N Oracle Rd   | 5208874362 |

**List of Sub-Franchised Locations**

| Franchisee  | Store Address                           | Phone      |
|---|---|------------|
| Leon, Alvaro / Leon, Martina                              | AZ/Tucson/6550 S Midvale Park Rd        | 5202944255 |
| Leon, Alvaro / Leon, Martina                              | AZ/Tucson/6780 E Tanque Verde           | 5202965259 |
| T & R Leon Ventures LLC                                   | AZ/Tucson/7825 E Golf Links Rd          | 4144184103 |
| Bjf Financial Resources Limited Partnership               | AZ/Tucson/8955 E Tanque Verde Rd        | 5207492302 |
| Bjf Financial Limited Partnership                         | AZ/Vail/13160 E Colossal Cave Rd        | 5207620343 |
| Gold Star No II LLC                                       | AZ/Wickenburg/2250 N Vulture Mine Rd    | 9286847026 |
| Beatty, Mary L / Beatty, David                            | AZ/Willcox/490 N Haskell Ave            | 5203844459 |
| Byars, Dorothy E  | AZ/Williams/603 W Route 66              | 9286352502 |
| MMPR Yuma Hospitality LLC                                 | AZ/Yuma/11280 S Fortuna Rd              | 6026123549 |
| Bowden, Gene P / Bowden, Johnnie F / Bowden, David S      | AZ/Yuma/2000 S Ave B                    | 9287831703 |
| Norris, Joseph & Kim / Wilson, Wilma, John, Scott & Kevin | AZ/Yuma/2077 S 4th Ave                  | 9287839242 |
| Seamco LLC  | AZ/Yuma/551 E 32nd St                   | 9287264571 |
| Dio Mercantile Co   | CO/Pueblo/1001 Lake Ave                 | 7195458220 |
| Saiscop Inc   | FL/Bartow/1795 N Broadway               | 8635332779 |
| Ee HcDQ LLC   | FL/Haines City/36172 Hwy 27             | 8634229336 |
| SLCG HIGHER WAYS INC                                      | FL/Lake Wales/24171 US Hwy 27           | 8639494816 |
| South Florida Dairy Queen LLC                             | FL/Lakeland/4114 S Florida Ave          | 8636460876 |
| DQN Inc   | FL/Lakeland/4710 US Highway 98 N        | 8632424535 |
| Saiscop Inc   | FL/Lakeland/5239 US Highway 98 S        | 8483913616 |
| Kool Creamery Inc   | FL/Miami/10371 Hammocks Blvd            | 7868866790 |
| Fancy Sugar Inc   | FL/Miami/11608 N Kendall Dr             | 3056461961 |
| Miami Creamery Inc  | FL/Miami/14271 S Dixie Hwy              | 3052522692 |
| TC Glenvar Heights LLC                                    | FL/Miami/4040 SW 67th Ave               | 3056651387 |
| Boss Lady Enterprises Inc                                 | FL/Plant City/1902 W Reynolds           | 8137522236 |
| Ee HcDQ LLC   | FL/Winter Haven/1702 Havendale Blvd NW  | 8632995165 |
| SLGC HIGHER WAYS INC                                      | FL/Winter Haven/511 Cypress Garden Blvd | 8632995245 |
| JAANU 1 Inc   | IL/Addison/709 W Lake St                | 6305432121 |

**List of Sub-Franchised Locations**

| Franchisee                         | Store Address                                | Phone      |
|------------------------------------|--|------------|
| MjpDQ LLC                          | IL/Algonquin/1249 S Main St                  | 8476589443 |
| Dunbar, Jim / Dunbar, Gloria       | IL/Alsip/12039 S Pulaski Rd                  | 7083883113 |
| Chilling Delights Inc              | IL/Aurora/1242 N Eola Rd                     | 6302369999 |
| Noble DQ Stores Inc                | IL/AURORA/126 N LAKE ST                      | 6308922856 |
| Khavandev Corporation              | IL/Aurora/2966 Ogden Ave                     | 6308518444 |
| Noble DQ Stores Inc                | IL/Aurora/918 W Illinois Ave                 | 6308592258 |
| Anup Bartlett Corp                 | IL/Bartlett/111 E Lake St                    | 7607975262 |
| Noble DQ Stores Inc                | IL/Batavia/1134 W Wilson St                  | 6309374025 |
| DQ Bensenville Inc                 | IL/Bensenville/229 W Grand Ave               | 6302381619 |
| Pas DQ Inc                         | IL/Bloomington/148 S Bloomington Rd, Ste 102 | 6309802828 |
| Jly Management LLC                 | IL/Bolingbrook/479 S Weber Rd                | 6303782137 |
| Noble DQ Stores Inc                | IL/Bourbonnais/121 S Main St                 | 8159326441 |
| Keyami Braidwood LLC               | IL/Braidwood/236 Comet Dr                    | 8154582140 |
| Jay Kesar Soft Serve Inc           | IL/Campton Hills/40w301 Rt 64/Unit D         | 6305847390 |
| Pujdip Inc                         | IL/Carol Stream/948 Army Trail Rd            | 6308305496 |
| CC Ice Cream & Company LLC         | IL/Cary/140 Crystal St                       | 8155277088 |
| Reese, John / Reese, Mary          | IL/Crystal Lake/35 Berkshire Dr #15          | 8154799818 |
| Keyami Diamond LLC                 | IL/Diamond/3195 E Division St                | 8156344098 |
| Ariton Stanton Inc                 | IL/Downers Grove/2245 Maple Ave              | 6309712122 |
| Kasi Treat Corporation             | IL/Downers Grove/6240 Main St                | 6308522246 |
| MjpDQ LLC                          | IL/East Dundee/15 E Main St                  | 8474282443 |
| Krishna Treats Inc                 | IL/Elgin/3091 US Highway 20/Unit 104         | 8479018399 |
| Nd Bartlett LLC                    | IL/Elgin/704 W Chicago St                    | 8476973319 |
| Gordon Dairy Queen Ltd             | IL/Elgin/727 Villa St                        | 8476971714 |
| Patel, Priyank M / Patel, Nikita P | IL/Elmhurst/143 N York St                    | 6306407283 |
| Noble DQ Stores Inc                | IL/Geneva/703 E State St                     | 6302322244 |
| Luttresack Industries Inc          | IL/Glen Ellyn/850 N Main St                  | 6306493062 |

**List of Sub-Franchised Locations**

| Franchisee                 | Store Address   | Phone      |
|----------------------------|---|------------|
| Hampshire Cool Treats Corp | IL/Hampshire/101 W Oak Knoll Dr   | 8476833190 |
| Bahuchar Inc               | IL/Harvard/605 S Division St  | 8159432663 |
| Patel, Priyank M           | IL/Highland Park/600 Central Ave Ste 113                                | 8479260544 |
| Double G Inc               | IL/Hoffman Estates/1570 W Algonquin Rd                                  | 8472215896 |
| AP Bros Inc                | IL/Homer Glen/14128 S Bell Rd   | 7083015554 |
| Keyami Washington LLC      | IL/Joliet/1410 E Washington St  | 8155531000 |
| Tanvi Inc                  | IL/Joliet/1700 W Jefferson St   | 8157255554 |
| Keyami Essington Inc       | IL/Joliet/2310 Essington Rd   | 8152540644 |
| Noble DQ Stores Inc        | IL/Kankakee/1045 W Station St   | 8159324441 |
| Noble DQ Stores Inc        | IL/Kankakee/1700 E Maple St   | 8159334211 |
| Reese, John / Reese, Mary  | IL/Lake In The Hills/4710 W Algonquin Rd                                | 8475152636 |
| Madsam Inc                 | IL/Lockport/958 E 9th St  | 8158381701 |
| Lombard Dairy Queen LLP    | IL/Lombard/205 S Main St  | 6306276364 |
| Noble DQ Stores Inc        | IL/Manteno/399 Southcreek Dr  | 2622274092 |
| Reese, John / Reese, Mary  | IL/McHenry/2640 Schaid Ct   | 8153852949 |
| DQ Mokena Corp             | IL/Mokena/19165 S La Grange Rd  | 7084795487 |
| Noble DQ Stores Inc        | IL/Momence/3 Gladiolus St   | 8154724445 |
| Daughters, Michael         | IL/Naperville/1002 N Washington St                                      | 3312137999 |
| R Abraham Dairy Queen LLC  | IL/Naperville/1454 E Chicago Ave  | 6303284148 |
| M & B Enterprises Inc      | IL/Naperville/1817 Wehrli Rd  | 6303692523 |
| Takes A Village LLC        | IL/Naperville/2735 Hassert Blvd Ste 167                                 | 6309223737 |
| Kpm Foods LLC              | IL/Naperville/Springbrook Center, Ste 132/2547 Plainfield Naperville Rd | 6305489437 |
| Shyam Treats LLC           | IL/Palatine/307 E Northwest Hwy   | 8479340269 |
| Plainfield Ice Cream Inc   | IL/Plainfield/15925 S Route 59 Ste 101                                  | 8154361776 |
| Tanvi Inc                  | IL/Romeoville/29 Alexander Cir  | 8158864300 |
| Anup Fox Valley Corp       | IL/Romeoville/648 S Weber Rd  | 6308880675 |
| Sweetest Moments LLC       | IL/Roselle/261 E Irving Park Rd   | 6305291908 |

**List of Sub-Franchised Locations**

| Franchisee                         | Store Address                                 | Phone      |
|------------------------------------|---|------------|
| Jill & Chill Corporation           | IL/Schaumburg/520 S Roselle Rd                | 8479239233 |
| Shorewood Ice Cream LLC            | IL/Shorewood/707 W Jefferson St Unit Q        | 8157290400 |
| Gordon Dairy Queen Ltd             | IL/South Elgin/712 McLean Blvd                | 8476951922 |
| D.I.D Ventures Inc                 | IL/Spring Grove/2450 N US Hwy 12 Unit N       | 8155810956 |
| Anup Bartlett Corp                 | IL/Streamwood/140 N Barrington Rd             | 7607975262 |
| Gayatric Co                        | IL/Streamwood/7 S Sutton Rd                   | 6305504001 |
| Nowak, Brian                       | IL/Villa Park/211 E St Charles Rd             | 6308322010 |
| Madhav Dairy LLC                   | IL/Warrenville/3S071 State Route 59/Suite 112 | 6303932277 |
| K & K Ice Cream LLC                | IL/Westmont/695 N Cass Ave                    | 6305223187 |
| H & S Icecream LLC                 | IL/Wheaton/102 W Liberty Dr                   | 6307657220 |
| DQWHEATON CORP                     | IL/Wheaton/1289 E Butterfield Rd              | 6304621723 |
| Troha Investments LLC              | IL/Willowbrook/7528 Clarendon Hills Rd        | 6303255090 |
| C K Avalanche Corp                 | IL/Winfield/27w223 Geneva Rd                  | 6306900320 |
| Sajida LLC                         | IL/Wood Dale/224 E Irving Park Rd             | 6304225269 |
| 75Th Ice Cream LLC                 | IL/Woodridge/2015 75th St                     | 6309858668 |
| Rc Castaneda LLC                   | IL/Woodstock/310 Washington St                | 8155277088 |
| Vg Fam LLC                         | IA/Ames/316 Lincoln Way                       | 5152325715 |
| Vg Fam LLC                         | IA/Ames/3308 Orion Dr                         | 5156630819 |
| Nelson, James E / Nelson, Marsha   | IA/Burlington/1228 N Roosevelt Rd             | 3197547858 |
| Nelson, James E / Nelson, Marsha   | IA/Burlington/715 S Main St                   | 3197544234 |
| Duncan, Dennis L / Duncan, Janet M | IA/Cedar Rapids/2843 Mt Vernon Rd SE          | 3193655628 |
| Power Play Inc                     | IA/Cedar Rapids/3304 1st Ave NE               | 3193637131 |
| Karla Enterprises Inc              | IA/Cedar Rapids/501 16th St NE                | 3193650680 |
| HDQ Inc                            | IA/Charles City/707 S Grand Ave               | 6412283161 |
| Aftershock Ventures LLC            | IA/Coralville/904 2nd St                      | 3193389483 |
| Walsh, Luann / Walsh, James        | IA/Council Bluffs/1836 Madison Ave            | 7123286966 |
| Oshlo, Douglas                     | IA/Council Bluffs/3210 W Broadway             | 7123223424 |



**List of Sub-Franchised Locations**

| Franchisee                             | Store Address                                  | Phone      |
|--|--|------------|
| Fourteen Foods LLC                     | IA/Council Bluffs/540 32nd Ave                 | 7123665059 |
| Aftershock Ventures LLC                | IA/Iowa City/1015 Highway 1 W                  | 3193383100 |
| Mcwane Dairy Queen Inc                 | IA/Iowa City/526 S Riverside Dr                | 3193389328 |
| Eash, Mathew                           | IA/Iowa City/660 Eastbury Dr                   | 3195120132 |
| Allusions Inc                          | IA/Marion/2100 7th Ave                         | 3193771054 |
| Wise, David / Wise, Elizabeth          | IA/Marshalltown/2107 S Center St               | 6417525101 |
| Wollam, Larry J / Wollam, Barbara J    | IA/Marshalltown/711 N 3rd Ave                  | 6417522712 |
| Rozendaal, Paul / Rozendaal, Yolanda   | IA/North Liberty/365 Beaver Kreek Centre Ste A | 3196262011 |
| Teejay Enterprises LLC                 | IA/Oakland/S Hwy 6                             | 7124826816 |
| Thedens, Kirk / Thedens, Jo            | IA/Oelwein/212 7th St SE                       | 3192834515 |
| Ruzicka, Robin / Ruzicka, Jeff         | IA/Solon/101 Prairie Rose Ln Unit 1            | 3196242115 |
| Nissen Inc                             | IA/Spencer/501 Grand Ave S                     | 7122627716 |
| KM Ventures LLC                        | IA/Story City/1533 Broad St                    | 5157332844 |
| Popenhagen, Amy M / Popenhagen, Alex C | IA/West Union/312 W Bradford St                | 5634226284 |
| North Reading ICA LLC                  | MA/North Reading/286 N Main St                 | 9788987379 |
| T.T.T.T. Inc                           | MA/Salisbury/96 Elm St                         | 9784652456 |
| Web Concepts LLC                       | MN/Albert Lea/2530 Bridge Ave                  | 5073739583 |
| Weins, Kathy / Weins, Michael (Estate) | MN/Austin/1200 W Oakland Ave                   | 5074331369 |
| Nissen Inc                             | MN/Byron/407 Frontage Road NE                  | 5077752626 |
| Topel Ice Cream Inc                    | MN/Chatfield/311 Main St N                     | 5072617058 |
| 2 Dips & A Cone LLC                    | MN/Lake Crystal/232 E Hwy 60                   | 5077262503 |
| Silver Crown LLC                       | MN/Mankato/2001 Adams St/Suite 100             | 6124184429 |
| Galli Storm, Jorae                     | MN/Mankato/25 Stoltzman Rd                     | 5073886451 |
| King, Michael / King, Kari             | MN/Rochester/320 12th St SE                    | 5072828633 |
| Kane, Timothy                          | MN/Rochester/4140 E Frontage                   | 5072810762 |
| Spratte, Tim                           | MN/Rochester/538 N Broadway                    | 5072883863 |
| Cups and Cones LLC                     | MN/Stewartville/920 N Main St                  | 5075338540 |

**List of Sub-Franchised Locations**

| Franchisee                                   | Store Address   | Phone      |
|--|---|------------|
| Nissen Inc                                   | MN/Winona/1440 W Broadway St                                | 5074526090 |
| Nissen Inc                                   | MN/Winona/965 Mankato Ave                                   | 5074540310 |
| Kelly Devries Inc                            | MT/Havre/535 5th Ave  | 4062657221 |
| Bva2 LLC                                     | MT/Livingston/1017 W Park St                                | 4063332544 |
| PT Snowstorm LLC                             | MT/Missoula/1735 S Higgins Ave                              | 4065496075 |
| Dairy Queen of Alliance Inc                  | NE/ALLIANCE/719 FLACK AVE                                   | 3087623387 |
| Ronne, Kevin L / Ronne, Patricia D           | NE/Grand Island/1421 S Eddy St                              | 3083984637 |
| Stehlik Family Real Estate LLC               | NE/Nebraska City/2410 S 11th St                             | 4028737956 |
| Watkin Bc LLC                                | NV/Boulder City/1212 Nevada Hwy                             | 7029851212 |
| Mkfusion 2 LLC                               | NV/Henderson/2607 Windmill Pkwy                             | 7252058665 |
| MMPR Rainbow Hospitality LLC                 | NV/Las Vegas/4010 S Rainbow Blvd, Ste A                     | 6026123549 |
| Vegas Cream LLC                              | NV/LAS VEGAS/4036 N TENAYA WAY                              | 7023957387 |
| RC & W Partners                              | NV/Las Vegas/4505 S Maryland Pkwy/Thomas & Mack Center      | 7027370700 |
| Making Dough                                 | NV/Las Vegas/7000 Las Vegas Blvd N                          | 7024000018 |
| Dor Investments LLC                          | NV/Las Vegas/7400 Las Vegas Blvd S/Space #FC25              | 7022203765 |
| Mkfusion LLC                                 | NV/Las Vegas/7501 W Lake Mead Blvd Ste 105                  | 7023632240 |
| MMPR Durango Hospitality LLC                 | NV/Las Vegas/7785 N Durango Dr Ste 100                      | 6026123549 |
| Jonmar Inc                                   | NV/Las Vegas/Excalibur Hotel & Casino/3850 Las Vegas Blvd S | 7028759175 |
| MMPR Aliante Hospitality LLC                 | NV/North Las Vegas/Aliante Station/7300 Aliante Pky         | 6026123549 |
| White Horse Enterprises LLC                  | NJ/Absecon/310 White Horse Pike                             | 6096465413 |
| Allendale Creamery LLC                       | NJ/Allendale/47 B W Allendale Rd                            | 2012368083 |
| Ry Kris Corporation                          | NJ/Barnegat Light/208 Broadway                              | 6094945115 |
| Rockheart Inc                                | NJ/Bayville/493 US Hwy 9                                    | 7326060610 |
| Menegatos, Konstantin / Menegatos, Gerasimos | NJ/Belmar/827 12th Ave                                      | 7326811262 |
| Adya Inc                                     | NJ/Bernardsville/109 Morristown Rd                          | 9087661756 |
| Pitaur Inc / Kashishian, Tracy               | NJ/Branchville/407 US Hwy 206                               | 9739484008 |
| G & N - M G M Inc                            | NJ/Clark/182 Westfield Ave                                  | 7325749696 |

**List of Sub-Franchised Locations**

| Franchisee  | Store Address                                     | Phone      |
|---|---|------------|
| Heartrock Inc   | NJ/Cranford/337 N Ave E                           | 9082727114 |
| East Windsor Creamery Inc   | NJ/East Windsor/545 US Hwy 130 N                  | 2013819923 |
| Miglani, Chander / Miglani, Anju  | NJ/Edison/1123 Inman Ave                          | 9083222829 |
| Patogas & Management Property Holdings LLC  | NJ/Emerson/13 Kinderkamack Rd                     | 2012621350 |
| MFR82 Inc   | NJ/Freehold/701 Park Ave                          | 7328451144 |
| Noah & Kiki 2023 LLC  | NJ/Irvington/1123 Stuyvesant Ave                  | 9737572428 |
| Becker, Brian   | NJ/Jersey City/513 Westside Ave                   | 2014328257 |
| Paradise Ice Cream LLC  | NJ/Kenvil/420 US Highway 46                       | 9735849234 |
| Calm LLC  | NJ/Lavallette/3251 Route 35 N                     | 7322504905 |
| Warncke, Gregg V / Warncke, John J  | NJ/Lincroft/673 Newman Springs Rd                 | 7327474569 |
| Mi Mi & Gi Gi LLC   | NJ/Little Ferry/272 Liberty Ave                   | 2013731444 |
| Livingston FT Inc   | NJ/Livingston/277 Eisenhower Pkwy                 | 9732100022 |
| Gul1 LLC  | NJ/Mahwah/117 Franklin Tpke                       | 2015294446 |
| Const Brothers Inc  | NJ/Manasquan/97 Atlantic Ave                      | 7322232199 |
| Jt Food Group LLC   | NJ/Manchester/1013 Route 70 Unit 6A               | 8482587993 |
| Stoll, Sharon / Stoll, Walter / Stoll, Maria L / Medieros, Kerry L / Stoll, Bryan J | NJ/Montvale/125 Chestnut Ridge Rd                 | 2013913684 |
| Of The Lake LLC   | NJ/New Milford/1033 River Rd Ste D                | 2018362253 |
| Wildrick-Devries, Debra   | NJ/Newton/37 Hampton House Rd                     | 9733834780 |
| Poulakos, Dimitrios / Poulakos, Elisa   | NJ/North Bergen/6903 Kennedy Blvd                 | 2018690910 |
| Don DQ LLC  | NJ/North Wildwood/423 W Spruce Ave                | 6097291740 |
| 244 Livingston St LLC   | NJ/Northvale/254 Livingston St                    | 2017502030 |
| Morrissey Ice Cream LLC   | NJ/Oakland/186 Ramapo Valley Rd                   | 2013375627 |
| S & T Amusement Co Inc  | NJ/Ocean City/1020 Boardwalk                      | 6093980064 |
| D5 Ice Cream LLC  | NJ/Old Tappan/216 Old Tappan Rd/26 Bi-State Plaza | 2016649664 |
| MDDF Enterprises LLC  | NJ/Park Ridge/176 Kinderkamack Rd                 | 2013915262 |
| You & Mei LLC   | NJ/Pennsauken/5700 S Crescent Blvd                | 8564881717 |
| Albanese and Daughters Inc  | NJ/Plainfield/1367 South Ave                      | 9087555994 |

**List of Sub-Franchised Locations**

| Franchisee                                   | Store Address  | Phone      |
|--|--|------------|
| Point Ice Cream Delights                     | NJ/Point Pleasant Boro/2506 Bridge Ave                   | 7328925700 |
| Dellaportas, Iliana                          | NJ/Rahway/735 E Hazelwood Ave                            | 7322610972 |
| Razo Sweet LLC                               | NJ/Randolph/746 State Rte 10                             | 9733663306 |
| K & J LLC                                    | NJ/Red Bank/Chapel Hill Shopping Ctr/449 State Rte 35    | 7327413433 |
| KAYA Holdings LLC                            | NJ/Ridgefield/550 Broad Ave                              | 2019450933 |
| Ridgewood Creamery Inc                       | NJ/Ridgewood/168 E Ridgewood Ave                         | 2014783160 |
| RAL Blessed LLC                              | NJ/Ringwood/130 Skyline Dr                               | 2016372970 |
| R&DDQ LLC                                    | NJ/Rio Grande/1613 Route 47                              | 6098869950 |
| Eysu Inc                                     | NJ/Rochelle Park/449 Rochelle Ave                        | 2012261411 |
| Menegatos, Konstantin / Menegatos, Gerasimos | NJ/Rutherford/234 Park Ave                               | 2019333990 |
| Petaccia, George                             | NJ/Saddle Brook/430 Market St                            | 2018434577 |
| 3XDQ LLC                                     | NJ/Sea Isle City/3600 Boardwalk/Unit 15                  | 6098494996 |
| RMM Corporation                              | NJ/Somers Point/501 Shore Rd                             | 6099274835 |
| Schwartz, Bernie                             | NJ/South Amboy/982 US Highway 9                          | 7327213099 |
| Shoreline Financial Group LLC                | NJ/Stone Harbor/326 96th St                              | 6099675150 |
| Zada Ice Cream LLC                           | NJ/Sussex/247 State Rt 23                                | 9738757020 |
| Petaccia, Frank Arthur                       | NJ/Teaneck/260 Teaneck Rd                                | 2018361597 |
| Four Scoops Inc                              | NJ/Toms River/931 Fischer Blvd Ste 9                     | 7322880099 |
| Jems 82 LLC                                  | NJ/Trenton/634 Arena Dr                                  | 6098881003 |
| Vernon Creamery LLC                          | NJ/Vernon/260 State Rt 94                                | 9738278600 |
| TW Creamery LLC                              | NJ/Washington Township/291 Pascack Road                  | 2013830137 |
| Washington Treats Co Inc                     | NJ/Washington/231 State Route 31 S                       | 9086890619 |
| C&A Cold Projects Inc                        | NJ/Wayne/Preakness Shopping Center/1220 Hamburg Turnpike | 9737068082 |
| Afc III Inc                                  | NJ/Wayne/Willowbrook Mall/3117 Willowbrook Mall          | 9737850059 |
| Shakes & Cakes LLC                           | NJ/West Milford/259 Marshall Hill Rd                     | 9737281212 |
| Magnolia RLD LLC                             | NJ/Wildwood/2816 Boardwalk                               | 6095223669 |
| E & C Gallucci Inc                           | NJ/Wildwood/3922 Boardwalk                               | 8562872550 |

**List of Sub-Franchised Locations**

| Franchisee  | Store Address  | Phone      |
|---|--|------------|
| Ramco Inc   | NJ/Wildwood/5300 Boardwalk, Unit #8                        | 6097291355 |
| G & G of Wyckoff Inc                                  | NJ/Wyckoff/299 Franklin Ave                                | 2018911229 |
| Anika Foods Inc                                       | NC/Charlotte/Eastway Crossing Shopping Ctr/3054 Eastway Dr | 9803351164 |
| Carolina Dairy Queens Inc                             | NC/Concord/Carolina Mall/1480 Concord Pkwy N Unit 88       | 7049184224 |
| Dairy Queen of Wilmington Inc                         | NC/Oak Island/5701 E Oak Island Dr                         | 9102785371 |
| MrDQs LLC   | NC/Salisbury/1004 W Innes St                               | 7046368653 |
| EARNHARDTDQ LLC                                       | NC/Salisbury/2143-D Statesville Blvd                       | 7046376110 |
| Dairy Queen of Wilmington Inc                         | NC/Shallotte/20 Naber Dr                                   | 9107542999 |
| Dairy Queen of New Hanover and Brunswick Counties Inc | NC/Supply/106 Southport Supply Rd                          | 9107549692 |
| Dairy Queen of Wilmington Inc                         | NC/Wilmington/5901 Oleander Dr                             | 9107992902 |
| Denton Inc  | ND/Bismarck/1804 N 13th St                                 | 7012584438 |
| Denton Inc  | ND/Bismarck/230 W Broadway Ave                             | 7012230548 |
| Denton Inc  | ND/Bismarck/913 Burlington Dr                              | 7012554155 |
| Qd Pie LLC  | ND/Grand Forks/1209 N Fifth St                             | 7017723801 |
| Brabandt Enterprises LLC                              | ND/Minot/215 14th Ave SW                                   | 7018394131 |
| Johnson, Sandra Sue / Johnson, Keith (Estate)         | OH/Bainbridge/127 E Main St                                | 7406342322 |
| Emmelia Rose Inc                                      | OH/Bay Village/618 Dover Center Rd                         | 4408351929 |
| DQTW LLC  | OH/Chardon/108 Wilson Mills Rd                             | 4402859796 |
| Chesterland Dairy Queen Inc                           | OH/Chesterland/8423 Mayfield Rd                            | 4407292663 |
| Partners West Park LLC                                | OH/Cleveland/3354 Warren Rd                                | 2162517989 |
| South Euclid Dairy Queen                              | OH/Cleveland/3538 W 105th                                  | 2165543742 |
| Weiskittel LLC  | OH/Cleveland/5501 Memphis Ave                              | 2163988538 |
| Holsinger Sr, Eric / Holsinger, Reshell               | OH/Columbus/2639 Indianola Ave                             | 6142636586 |
| Wolph, Vincent E / Wolph, Alexandra                   | OH/Fostoria/1204 N County Line St                          | 4194357858 |
| Mycroft, Brian J / Mycroft, Christy L                 | OH/Hillsboro/980 W Main St                                 | 9373932344 |
| Yankee, Michael D / Yankee, Karen K                   | OH/Kenton/840 W Lima                                       | 4196757214 |
| Lakewood Dairy Queen Inc                              | OH/Lakewood/16803 Detroit Rd                               | 2165217763 |

**List of Sub-Franchised Locations**

| <b>Franchisee</b>                           | <b>Store Address</b>                     | <b>Phone</b> |
|---|--|--------------|
| Mum Inc                                     | OH/Lebanon/580 Columbus Ave              | 5139325946   |
| Moenter, Jerome A                           | OH/Lima/1225 Allentown Rd                | 4192244926   |
| Moenter, Jerome A                           | OH/Lima/2805 Shawnee Rd                  | 4199918199   |
| Leininger, Fred / Leininger, Gary           | OH/Lisbon/9322 State Rte 45              | 3304243762   |
| Capel-Hagara, Diane                         | OH/Madison/1907 Hubbard Rd               | 4404286880   |
| MultherinDQ LLC                             | OH/Mansfield/273 Glessner Ave            | 4195227774   |
| Multherin, Michael                          | OH/Mansfield/309 Ashland Rd              | 4195711273   |
| Adkins, Jeff / Adkins, C Jean               | OH/Marion/561 N Main St                  | 7403823838   |
| CFB Marysville Foods LLC                    | OH/Marysville/816 Columbus Ave           | 9376424671   |
| NBJBB LLC                                   | OH/Mayfield Heights/5713 Mayfield Rd     | 4404426903   |
| Mol DQ LLC                                  | OH/Mentor/7695 Lake Shore Blvd           | 4402575588   |
| Carroll, Leeann F                           | OH/Miamisburg/326 S Main St              | 9378661611   |
| DQ Paines LLC                               | OH/Painesville/2008 Mentor Ave           | 4403543322   |
| Neuzil, David S / Neuzil, Pamela A          | OH/Parma/5342 Ridge Rd                   | 4408860677   |
| Rocky River Dairy Queen LLC                 | OH/Rocky River/21665 Center Ridge Rd     | 4403337763   |
| Make Inc                                    | OH/Saint Marys/1240 Celina Rd            | 4193942916   |
| Kplus Inc                                   | OH/Springboro/220 W Central Ave          | 9377484567   |
| Mycroft, Brian J / Mycroft, Christy L       | OH/Washington Court House/205 W Court St | 7403351660   |
| CLM LLC                                     | PA/Aliquippa/2625 Broadhead Rd           | 7242034272   |
| Lee 777 LLC                                 | PA/Bensalem/3569 Hulmeville Rd           | 2675235899   |
| Steighner, Clair                            | PA/Butler/1745 N Main St                 | 7242831116   |
| Acord, Richard A                            | PA/Butler/362 Pittsburgh Rd              | 7245869277   |
| J & J Group Usa Inc                         | PA/Conshohocken/1662 Butler Pike         | 6108259059   |
| Rsc Associates Inc                          | PA/Downingtown/1225 Horseshoe Pike       | 6102695788   |
| Knisley Dolan, Kathryn E / Knisley, Frank G | PA/Dublin/106 N Main St                  | 2152493246   |
| D D T Enterprises                           | PA/Erie/4219 Iroquois Ave                | 8148998655   |
| Triple Rich East Inc                        | PA/Exton/416 W Lincoln Hwy               | 6103634848   |

**List of Sub-Franchised Locations**

| Franchisee                            | Store Address  | Phone      |
|---------------------------------------|--|------------|
| Damb Corporation                      | PA/Exton/The Shops On Eagleview Boulevard/240-242 Eagleview Blvd | 6102809115 |
| Jckd Inc                              | PA/Frazer/Lincoln Court Shopping Center/235 Lancaster Ave        | 6106472496 |
| Queendreams 19Gc                      | PA/Grove City/904 W Main St                                      | 7244588166 |
| Samsel, Chris                         | PA/Harleysville/261 Harleysville Pike                            | 2152564200 |
| Fazili Holdings LLC                   | PA/Hatboro/110 W Moreland Ave                                    | 2156741888 |
| M & T Team Inc                        | PA/Huntingdon Valley/1936 County Line Rd                         | 2676846389 |
| Walz Family Concessions LLC           | PA/Huntingdon Valley/622 Welsh Rd                                | 2159471227 |
| Family Freeze LLC                     | PA/Jeannette/1244 College Ave                                    | 7245235522 |
| Rchj Inc                              | PA/King Of Prussia/Vfspg Ctr/138 Town Center Rd                  | 6103372549 |
| Phoenix Sunrise Desserts LLC          | PA/Lansdale/1551 S Valley Forge Rd                               | 2158550229 |
| J & L Queen LLC                       | PA/Latrobe/15 Terry Way  | 7245375441 |
| 2Siblings LLC                         | PA/Maple Glen/637 E Welsh Rd                                     | 2674198582 |
| Patel, Manojkumar / Sutariya, Kamal M | PA/Midland/1152 Midland Ave                                      | 7246430802 |
| Kupiec, John / Kupiec, Jean           | PA/Morrisville/55 S Delmorr Ave                                  | 2157361885 |
| Suburban Lane Treats LLC              | PA/Norristown/2629 W Main St                                     | 6105396260 |
| Mgm DQ Inc                            | PA/North East/10362 W Main Rd                                    | 8147252253 |
| ParkDQ LLC                            | PA/Parkesburg/West Sadsbury Commons Shopping Ctr/404 Commons Way | 6108570050 |
| Vernachio Enterprises Inc II          | PA/Perkasie/200 Constitution Ave Box 174                         | 2152577212 |
| Bednar, Monica                        | PA/Perryopolis/3349 Pittsburgh Rd                                | 7247368220 |
| Wysocki, Douglas E                    | PA/Philadelphia/1619 Grant Ave/Grant Plaza                       | 2156711270 |
| Smith, Michael J                      | PA/Phoenixville/538 Kimberton Rd                                 | 6109331726 |
| Vernachios Enterprises 4              | PA/Pipersville/6784 Easton Rd                                    | 2674741597 |
| Chopra, Neena                         | PA/Plymouth Meeting/2040 Plymouth Meeting Mall                   | 6108255607 |
| Stephenboyd LLC                       | PA/Royersford/301 N Lewis Rd Unit #80                            | 6109484088 |
| Vernachios Enterprises 3              | PA/Southampton/108 Street Rd                                     | 2153554604 |
| Higginson, William C                  | PA/Trappe/345 W Main St  | 6104895548 |
| Dessel, Steven / Dessel, Cathy        | PA/Warrington/1111 Easton Rd                                     | 2153431405 |

**List of Sub-Franchised Locations**

| Franchisee                               | Store Address   | Phone      |
|--|---|------------|
| Gatta, Gina Marie                        | PA/West Chester/1502 W Chester Pike                           | 6107389199 |
| Thomas, David Paul                       | PA/West Chester/703 E Gay St                                  | 6106964678 |
| JVDQ LLC                                 | PA/West Grove/Shoppes At Jenners Village/851 W Baltimore Pike | 6108695580 |
| Senigo Enterprises LLC                   | PA/Willow Grove/410 York Rd                                   | 2156577165 |
| JHDQ LLC                                 | PA/Youngwood/321 N 4th St                                     | 7249253730 |
| Rushmore Canyon Inc                      | SD/Box Elder/504 N Ellsworth Rd                               | 6059239700 |
| Hills Canyon Inc                         | SD/Deadwood/637 Main St                                       | 6054401280 |
| Chowdhury & Syed Inc                     | VA/Alexandria/1470-B N Beauregard St                          | 7039319400 |
| Shah Paran Corporation                   | VA/Alexandria/6446 Lansdowne Ctr                              | 7035502100 |
| Tasneem Inc                              | VA/Ashburn/44050 Ashburn Shopping Plz Ste 183                 | 7037269622 |
| S Omar Ltd                               | VA/Burke/6050-E Burke Commons Rd                              | 7034262440 |
| Ss & Sa LLC                              | VA/Centreville/13840 Braddock Rd Ste C                        | 7032661036 |
| Mid Atlantic Dairy Queen LLC             | VA/Chesapeake/200 S Battlefield Blvd                          | 7574825658 |
| Mid Atlantic Dairy Queen LLC             | VA/Chesapeake/3220 Western Branch Blvd                        | 7576864817 |
| Mid Atlantic Dairy Queen LLC             | VA/Chesapeake/943 N Battlefield Rd                            | 7573128989 |
| Walcorp Inc                              | VA/Colonial Heights/2011 Boulevard Ave                        | 8045206080 |
| DQ of Danville Inc                       | VA/Danville/2909 Riverside Dr                                 | 4347912156 |
| Ark Food LLC                             | VA/Dumfries/5061 Waterway Dr                                  | 7035801240 |
| Joshi Ventures LLC                       | VA/Glen Allen/4028 N Cox Rd                                   | 8042701375 |
| Mid Atlantic Dairy Queen LLC             | VA/Hampton/219 Fox Hill Rd                                    | 7578481534 |
| Zakaria, A Q M (Zaki)                    | VA/Herndon/742 Lynn St  | 7034816173 |
| Thesylhet Inc                            | VA/Kingstowne/5810 Kingstowne Ctr Ste 150                     | 7037199885 |
| Dosani, Yasmeen                          | VA/Newport News/Patrick Henry Mall/12300 Jefferson Ave #716   | 7572495540 |
| MADQ Granby LLC                          | VA/Norfolk/9636 Granby St                                     | 7575882395 |
| Love's Travel Stops & Country Stores Inc | VA/Ruther Glen/23845 Rogers Clarke Blvd                       | 8044480102 |
| S Omar Ltd                               | VA/South Riding/25401 Eastern Marketplace Plz Ste 180         | 7033274686 |
| Ss & Sa Lc                               | VA/Vienna/304 Maple Ave W                                     | 7032423820 |



**List of Sub-Franchised Locations**

| Franchisee                   | Store Address                              | Phone      |
|------------------------------|--|------------|
| Mid Atlantic Dairy Queen LLC | VA/Virginia Beach/1093 Independence Blvd   | 7573639432 |
| Mid Atlantic Dairy Queen LLC | VA/Virginia Beach/1324 Kempsville Rd       | 7574741838 |
| Mid Atlantic Dairy Queen LLC | VA/Virginia Beach/1585 General Boothe Blvd | 7574256762 |
| Holland Development          | VA/Virginia Beach/3843 Holland Rd          | 7573212747 |
| Liebzeit, Steven J           | WI/Appleton/1813 N Richmond                | 9207396109 |
| Liebzeit, Steven J           | WI/Appleton/2000 S Oneida St               | 9204503486 |
| A&J Treats Inc               | WI/Neenah/450 S Commercial                 | 9207256531 |

## **EXHIBIT J**

Lists of direct-licensed and subfranchised DQ® Treat, DQ® Soft Serve Only, and  
Dairy Queen®/Limited Brazier® franchises  
Whose Franchise Agreements Were Terminated or Transferred

### Franchise Terminations in 2024

| City              | ST             | Franchisee                    | Phone      | Reason             |
|-------------------|----------------|-------------------------------|------------|--------------------|
| National City     | California     | Kunain Inc                    | 6192672674 | Franchisee closure |
| San Jose          | California     | Bdkn Enterprises LLC          | 4082258019 | Non renewed        |
| Fort Collins      | Colorado       | Chavez, Michelle L            | 9702242428 | Franchisee closure |
| Grand Junction    | Colorado       | Colorado Mesa Mall Inc        | 9702437044 | Non renewed        |
| Greenwood Village | Colorado       | Tri-Treats Inc                | 3037794538 | Franchisee closure |
| Waterford         | Connecticut    | McBride Enterprises LLC       | 8604391826 | Non renewed        |
| Vernon Hills      | Illinois       | Pre Corporation Inc           | 8476807270 | Franchisee closure |
| West Des Moines   | Iowa           | Hoffman, Robert J             | 5152256469 | Non renewed        |
| Cambridge         | Maryland       | Wyatt, Susan H                | 4434776330 | Franchisee closure |
| Lansing           | Michigan       | Hmfic LLC                     | 5177088649 | Franchisee closure |
| Roscommon         | Michigan       | Evergreen Northern Market LLC | 9898891511 | Franchisee Closure |
| Brooklyn Park     | Minnesota      | Mixell, Todd / Mixell, Marty  | 7635605741 | Franchisee Closure |
| Minneapolis       | Minnesota      | Dapaul Enterprises LLC        | 6127888336 | Franchisee closure |
| Saint Paul        | Minnesota      | Slavik, Johnathan P           | 6517767188 | Terminated         |
| Oak Grove         | Missouri       | TA Operating LLC              | 8166255164 | Franchisee Closure |
| Gastonia          | North Carolina | Kausar Inc                    | 7049171001 | Franchisee closure |
| Cincinnati        | Ohio           | Shree Shaktikrupa Inc         | 5136716226 | Franchisee Closure |
| Vienna            | Ohio           | Suroiu, Nick                  | 3303941658 | Franchisee closure |
| Pittsburgh        | Pennsylvania   | Brico Realty LLC              | 4124944930 | Non renewed        |
| Lexington         | South Carolina | Circle K Stores Inc           | 8038080598 | Franchisee closure |

### Franchise Transfers in 2024

| City   | ST            | Seller  | Phone      | Comment         |
|--|---------------|---|------------|-----------------|
| <b>*Transfers where seller sold interest in this particular store, but remains a franchisee for other store(s)</b> |               |   |            |                 |
| Lone Tree  | Colorado      | Bell Brand Ranches Inc                                  | 3037929958 |                 |
| Milford  | Connecticut   | Fuzzy Bunny LLC   | 2038776506 |                 |
| Elk Grove Village  | Illinois      | Prairie State Ice Cream Inc                             | 8476520392 |                 |
| Shelbyville  | Indiana       | JD Restaurants Inc                                      | 7656757531 |                 |
| Sanford  | Maine         | Titherington, Rachel E                                  | 2073248167 | Family Transfer |
| Bemidji  | Minnesota     | K & M of Bemidji Inc                                    | 2184442108 |                 |
| Fazeysburg   | Ohio          | Graham, Charles / Graham, Dawni                         | 7406076567 | Family Transfer |
| Ravenna  | Ohio          | Joe-Hecs Inc  | 3302353230 |                 |
| Wooster  | Ohio          | Lim-End Inc   | 3302346837 |                 |
| Hinton   | West Virginia | Vance Properties Inc                                    | 3044661700 | Family Transfer |
| <b>*Transfers where seller sold interest in this particular store, and has left the system</b>                     |               |   |            |                 |
| Bermuda Dunes  | California    | Szulborski, Michael V                                   | 9257860643 |                 |
| Concord  | California    | Kps Corporation   | 9253485382 |                 |
| Simi Valley  | California    | Rayhan, Md / Rayhan, Fatema R                           | 8056302280 |                 |
| Denver   | Colorado      | Canuckjenny LLC   | 3035930396 |                 |
| Wallingford  | Connecticut   | Sotere, Ronald (Estate) / Sotere, Roseann               | 2032810258 | Family Transfer |
| Willimantic  | Connecticut   | Bertora, Paul B   | 8604284338 |                 |
| Bonita Springs   | Florida       | Cool Treats of Bonita Inc                               | 2399924797 |                 |
| Gainesville  | Florida       | Land O' Sun Management Corporation                      | 3522444427 |                 |
| Madison  | Florida       | Land O' Sun Management Corporation                      | 8509732311 |                 |
| Ormond Beach   | Florida       | Flips N Dips Inc  | 3866762144 |                 |
| Palatka  | Florida       | Dairy Queen of Palatka Inc                              | 3869724572 |                 |
| Port Charlotte   | Florida       | Suncoast Delight Inc                                    | 9417438665 |                 |
| Aurora   | Indiana       | Mclaughlin, Jerome C (Estate) / Mclaughlin, Mercedita A | 8129267624 |                 |
| Huntington   | Indiana       | Shawmak Enterprises Inc                                 | 2607600048 |                 |
| Denison  | Iowa          | Frum, Steven E (Estate)                                 | 7122036445 | Death           |
| Wichita  | Kansas        | Barrett, Richard D                                      | 3166867177 |                 |

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

### Franchise Transfers in 2024

| City          | ST            | Seller                             | Phone      | Comment         |
|---------------|---------------|------------------------------------|------------|-----------------|
| Biddeford     | Maine         | Wolfahrt, Dean                     | 2075714304 |                 |
| Rockville     | Maryland      | Jal Enterprises Inc                | 2406058432 |                 |
| Edgartown     | Massachusetts | Ckv Ice Cream Inc                  | 9505807118 |                 |
| Garden City   | Michigan      | M Manjo Inc                        | 5863441508 | Family Transfer |
| Grand Rapids  | Michigan      | Griffin, James                     | 6164569393 | Family Transfer |
| Houghton      | Michigan      | Kytta Enterprises Inc              | 9063702461 |                 |
| Inkster       | Michigan      | Almira LLC                         | 3135758087 |                 |
| Richmond      | Michigan      | Kadough Brothers LLC               | 2488812891 |                 |
| Benson        | Minnesota     | Stevens, Kevin J / Stevens, Jill   | 3208433939 |                 |
| Janesville    | Minnesota     | Cowdin, Steven C / Cowdin, Susan R | 5072345426 |                 |
| Minneapolis   | Minnesota     | Schwick Inc                        | 6128222393 |                 |
| Saint Francis | Minnesota     | Hero Treats LLC                    | 7639549340 |                 |
| Saint Paul    | Minnesota     | LJSJ LLC                           | 6517561535 |                 |
| Pahrump       | Nevada        | Beck and Gross LLC                 | 7752090677 |                 |
| Tilton        | New Hampshire | Two Queens LLC                     | 6032863205 |                 |
| Fremont       | Ohio          | Darr, Bruce C                      | 4196803218 |                 |
| Hubbard       | Ohio          | Cold Treats LLC                    | 3305503822 |                 |
| Toledo        | Ohio          | M5 Holdings LLC                    | 4193460669 |                 |
| Du Bois       | Pennsylvania  | Burton, Deborah N                  | 8143717160 |                 |
| Gettysburg    | Pennsylvania  | Maslowski, John                    | 7173344424 | Family Transfer |
| Racine        | Wisconsin     | Kook's Douglas Ave LLC             | 4142481412 |                 |

### Sub-Franchise Terminations in 2024

| City         | ST            | Franchisee                | Phone      | Reason             |
|--------------|---------------|---------------------------|------------|--------------------|
| Watseka      | Illinois      | Paro, Randy / Paro, Peggy | 8154322037 | Terminated         |
| Ames         | Iowa          | Vg Fam LLC                | 5152335550 | Franchisee closure |
| Lawrence     | Massachusetts | Lawrence ICA LLC          | 9786870682 | Franchisee Closure |
| Browns Mills | New Jersey    | Hartol Inc                | 6098934240 | Franchisee Closure |
| Linden       | New Jersey    | Lmb of Linden Inc         | 9089257849 | Franchisee Closure |
| Mentor       | Ohio          | GIDQ LLC                  | 4409745993 | Franchisee Closure |
| New Castle   | Pennsylvania  | Greco, Jennifer A         | 7246547073 | Franchisee Closure |
| Bedford      | Virginia      | Desimone, Rick (Estate)   | 5408744677 | Franchisee closure |
| Chantilly    | Virginia      | Hrk Corporation           | 7032633316 | Non renewed        |
| Wytheville   | Virginia      | Pilot Travel Centers LLC  | 2762282522 | Franchisee Closure |

### Sub-Franchise Transfers in 2024

| City   | ST           | Seller                                      | Phone      | Comment            |
|--|--------------|---|------------|--------------------|
| <b>*Transfers where seller sold interest in this particular store, but remains a franchisee for other store(s)</b> |              |   |            |                    |
| Tucson   | Arizona      | Hoffman, Eric L / Hoffman, Jessica F        | 5207900769 | Incorporated       |
| Freehold   | New Jersey   | MFR82 Inc                                   | 7328451144 | Family Transfer    |
| Montvale   | New Jersey   | Stoll, Walter                               | 2013913684 | Added Partner(s)   |
| Ridgefield   | New Jersey   | KAYA Holdings LLC                           | 7326392529 | Removed Partner(s) |
| Washington Township  | New Jersey   | Bergen Creamery LLC                         | 5512067754 |                    |
| Bay Village  | Ohio         | Peters, Todd / Peters, Alana                | 4408351929 |                    |
| <b>*Transfers where seller sold interest in this particular store, and has left the system</b>                     |              |   |            |                    |
| Lake Wales   | Florida      | C-Five Queen Management Company LLC         | 8632892155 |                    |
| Miami  | Florida      | Orsillo, Virginia / Smith, Kathleen Orsillo | 3056651387 |                    |
| Campton Hills  | Illinois     | Patterson, Georgia / Karametsos, Margie     | 6305847390 |                    |
| Downers Grove  | Illinois     | Troha, Steven A                             | 6308522246 |                    |
| Harvard  | Illinois     | Rank In Enterprises Inc                     | 8159432663 |                    |
| Naperville   | Illinois     | J.M.R. Dairy Queen LLC                      | 6309223737 |                    |
| Palatine   | Illinois     | Palatine Ice Cream Inc                      | 6307450425 |                    |
| Spring Grove   | Illinois     | Pledgemark Inc                              | 8155810956 |                    |
| Warrenville  | Illinois     | CORRAL FREEZERIA INC                        | 6303932277 |                    |
| Willowbrook  | Illinois     | WillowbrookDQ LLC                           | 6306678334 | Family Transfer    |
| Story City   | Iowa         | DO Story Holdings LLC                       | 5157332844 |                    |
| Havre  | Montana      | Hellegaard, Kevin / Hellegaard, Jody        | 4062657221 |                    |
| Missoula   | Montana      | A & M Inc                                   | 4065496075 |                    |
| Henderson  | Nevada       | Pecos LLC                                   | 7252058665 |                    |
| Allendale  | New Jersey   | Bergen Creamery LLC                         | 2012368083 |                    |
| Ringwood   | New Jersey   | Almic Inc                                   | 2016372970 |                    |
| Sea Isle City  | New Jersey   | Don 3XDQ LLC                                | 6098494996 | Removed Partner(s) |
| Stone Harbor   | New Jersey   | Shoreline Financial Group LLC               | 6099675150 | Death              |
| Lansdale   | Pennsylvania | DK Treats LLC                               | 2158550229 |                    |
| Latrobe  | Pennsylvania | Dudley Enterprises Inc                      | 7245375441 |                    |

**Sub-Franchise Transfers in 2024**

| City       | ST           | Seller                           | Phone      | Comment |
|------------|--------------|----------------------------------|------------|---------|
| Norristown | Pennsylvania | Connie Mack Inc / Carpani, David | 6107338962 |         |



**EXHIBIT K**

Financial Statements (with Guarantee of Performance)

# International Dairy Queen, Inc. and Subsidiaries

(A Wholly Owned Subsidiary of Berkshire  
Hathaway Inc.)

Consolidated Financial Statements as of  
December 31, 2024 and 2023, and for the  
Years Ended December 31, 2024, 2023, and 2022,  
and Independent Auditor's Report

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
International Dairy Queen, Inc.  
Minneapolis, Minnesota

### Opinion

We have audited the consolidated financial statements of International Dairy Queen, Inc. and subsidiaries (the "Company"), a wholly owned subsidiary of Berkshire Hathaway, Inc., which comprise the consolidated balance sheets as of December 31, 2024 and 2023, and the related consolidated statements of operations and comprehensive income, changes in stockholder's equity, and cash flows for each of the three years in the period ended December 31, 2024, and the related notes to the consolidated financial statements (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2024, in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

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

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free 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 the Company's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

### Auditor's Responsibilities for the Audit of the Financial Statements

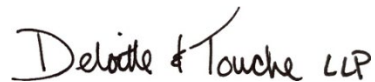
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from

fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

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

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

The image shows a handwritten signature in black ink that reads "Deloitte & Touche LLP". The signature is written in a cursive, flowing style.

February 7, 2025

**INTERNATIONAL DAIRY QUEEN, INC. AND SUBSIDIARIES**  
**(A Wholly Owned Subsidiary of Berkshire Hathaway Inc.)**  
**Consolidated Balance Sheets**

*In thousands*

|   | <b>Assets</b>      |                   |
|---|--------------------|-------------------|
|   | <b>December 31</b> |                   |
|   | <b>2024</b>        | <b>2023</b>       |
| <b>Current assets</b>   |                    |                   |
| Cash and cash equivalents   | \$ 27,271          | \$ 27,032         |
| Notes and accounts receivable—less allowance of \$1,501 and \$903<br>in 2024 and 2023, respectively | 50,352             | 50,742            |
| Income tax receivable   | 7,731              | 1,292             |
| Cash pooling receivable from affiliate  | 44,559             | 55,807            |
| Inventories   | 120                | 118               |
| Prepaid expenses  | 2,047              | 2,604             |
| Total current assets  | <u>132,080</u>     | <u>137,595</u>    |
| <b>Noncurrent assets</b>  |                    |                   |
| Property and equipment, net   | 10,903             | 12,309            |
| Goodwill  | 92,023             | 92,214            |
| Intangibles, net  | 82,398             | 80,049            |
| Operating lease assets  | 5,090              | 5,799             |
| Other   | 33,412             | 32,547            |
| Total noncurrent assets   | <u>223,826</u>     | <u>222,918</u>    |
| Total assets  | <u>\$ 355,906</u>  | <u>\$ 360,513</u> |
| <b>Liabilities and Stockholder's Equity</b>   |                    |                   |
| <b>Current liabilities</b>  |                    |                   |
| Accounts payable  | \$ 27,026          | \$ 24,348         |
| Committed advertising   | 39,844             | 35,618            |
| Unredeemed gift card liabilities  | 102,697            | 97,376            |
| Other liabilities   | 36,889             | 38,613            |
| Current portion of operating lease liabilities  | 1,004              | 962               |
| Total current liabilities   | <u>207,460</u>     | <u>196,917</u>    |
| <b>Noncurrent liabilities</b>   |                    |                   |
| Deferred franchise income   | 3,024              | 2,816             |
| Deferred income taxes—net   | 17,652             | 17,337            |
| Long-term operating lease liabilities   | 7,305              | 8,365             |
| Other long-term liabilities   | 40,155             | 41,702            |
| Total noncurrent liabilities  | <u>68,136</u>      | <u>70,220</u>     |
| Total liabilities   | <u>275,596</u>     | <u>267,137</u>    |
| <b>Commitments and contingencies</b>  |                    |                   |
| <b>Stockholder's equity</b>   |                    |                   |
| Class A common stock, \$0.01 par value—authorized and outstanding, 1,000 shares                     | -                  | -                 |
| Additional paid-in capital  | 152,197            | 152,197           |
| Retained deficit  | (68,411)           | (56,286)          |
| Accumulated other comprehensive loss  | (3,476)            | (2,535)           |
| Total stockholder's equity  | <u>80,310</u>      | <u>93,376</u>     |
| Total liabilities and stockholder's equity  | <u>\$ 355,906</u>  | <u>\$ 360,513</u> |

See accompanying notes to consolidated financial statements.

**INTERNATIONAL DAIRY QUEEN, INC. AND SUBSIDIARIES**  
**(A Wholly Owned Subsidiary of Berkshire Hathaway Inc.)**  
**Consolidated Statements of Operations and Comprehensive Income**

*In thousands*

|  | Years ended December 31 |                  |                  |
|--|-------------------------|------------------|------------------|
|  | 2024                    | 2023             | 2022             |
| <b>Revenues</b>  |                         |                  |                  |
| Service fees   | \$ 198,627              | \$ 188,908       | \$ 173,116       |
| Other fees and franchise sales   | 45,681                  | 45,918           | 46,482           |
| Sales of advertising kits  | 9,446                   | 9,751            | 13,939           |
| Sales of company-owned restaurants   | 3,633                   | 3,412            | 3,146            |
| Other  | <u>254</u>              | <u>272</u>       | <u>254</u>       |
| Total revenues   | <u>257,641</u>          | <u>248,261</u>   | <u>236,937</u>   |
| <b>Costs and expenses</b>  |                         |                  |                  |
| Costs of other fees and franchise sales  | 3,393                   | 2,971            | 4,919            |
| Cost of sales of advertising kits  | 8,725                   | 9,090            | 12,647           |
| Costs of company-owned restaurants   | 3,913                   | 3,805            | 3,593            |
| Selling, general, and administrative   | <u>115,600</u>          | <u>111,911</u>   | <u>99,868</u>    |
| Total costs and expenses   | <u>131,631</u>          | <u>127,777</u>   | <u>121,027</u>   |
| <b>Operating income</b>  | 126,010                 | 120,484          | 115,910          |
| Net interest income  | <u>3,137</u>            | <u>3,370</u>     | <u>1,249</u>     |
| Income before income taxes   | 129,147                 | 123,854          | 117,159          |
| Provision for income taxes   | <u>31,272</u>           | <u>29,970</u>    | <u>28,340</u>    |
| <b>Net income</b>  | <u>\$ 97,875</u>        | <u>\$ 93,884</u> | <u>\$ 88,819</u> |
| <b>Comprehensive income, net of tax</b>  |                         |                  |                  |
| Net income   | \$ 97,875               | \$ 93,884        | \$ 88,819        |
| Other comprehensive (loss) income - changes in cumulative translation adjustment | <u>(941)</u>            | <u>(19)</u>      | <u>(800)</u>     |
| <b>Comprehensive income</b>  | <u>\$ 96,934</u>        | <u>\$ 93,865</u> | <u>\$ 88,019</u> |

See accompanying notes to consolidated financial statements.

**INTERNATIONAL DAIRY QUEEN, INC. AND SUBSIDIARIES**  
**(A Wholly Owned Subsidiary of Berkshire Hathaway Inc.)**  
**Consolidated Statements of Changes in Stockholder's Equity**

*In thousands*

|  | <u>Common stock<br/>and additional<br/>paid-in capital</u> | <u>Retained<br/>(deficit)<br/>earnings</u> | <u>Accumulated<br/>other<br/>comprehensive<br/>loss</u> | <u>Total<br/>stockholder's<br/>equity</u> |
|--|--|--|---|---|
| BALANCE—December 31, 2021              | \$ 152,197   | \$ (43,989)                                | \$ (1,716)  | \$ 106,492                                |
| Net income                             | -  | 88,819                                     | -   | 88,819                                    |
| Other comprehensive (loss) income, net | -  | -  | (800)   | (800)                                     |
| Dividends                              | <u>-</u>   | <u>(85,000)</u>                            | <u>-</u>  | <u>(85,000)</u>                           |
| BALANCE—December 31, 2022              | 152,197  | (40,170)                                   | (2,516)   | 109,511                                   |
| Net income                             | -  | 93,884                                     | -   | 93,884                                    |
| Other comprehensive (loss) income, net | -  | -  | (19)  | (19)                                      |
| Dividends                              | <u>-</u>   | <u>(110,000)</u>                           | <u>-</u>  | <u>(110,000)</u>                          |
| BALANCE—December 31, 2023              | 152,197  | (56,286)                                   | (2,535)   | 93,376                                    |
| Net income                             | -  | 97,875                                     | -   | 97,875                                    |
| Other comprehensive (loss) income, net | -  | -  | (941)   | (941)                                     |
| Dividends                              | <u>-</u>   | <u>(110,000)</u>                           | <u>-</u>  | <u>(110,000)</u>                          |
| BALANCE—December 31, 2024              | <u>\$ 152,197</u>  | <u>\$ (68,411)</u>                         | <u>\$ (3,476)</u>                                       | <u>\$ 80,310</u>                          |

See accompanying notes to consolidated financial statements.

**INTERNATIONAL DAIRY QUEEN, INC. AND SUBSIDIARIES**  
**(A Wholly Owned Subsidiary of Berkshire Hathaway Inc.)**  
**Consolidated Statements of Cash Flows**

*In thousands*

|  | Years ended December 31 |                  |                  |
|--|-------------------------|------------------|------------------|
|  | 2024                    | 2023             | 2022             |
| <b>Operating activities</b>  |                         |                  |                  |
| Net income   | \$ 97,875               | \$ 93,884        | \$ 88,819        |
| <b>Adjustments to reconcile net income to net cash provided by operating activities:</b> |                         |                  |                  |
| Depreciation and amortization  | 3,803                   | 3,351            | 2,860            |
| Gain on sale of capital assets   | (169)                   | (551)            | (337)            |
| Deferred income taxes  | 315                     | (2,015)          | (418)            |
| <b>Changes in assets and liabilities:</b>  |                         |                  |                  |
| Notes and accounts receivable  | (4)                     | (1,118)          | (1,425)          |
| Inventories, prepaid expenses, and other assets  | 296                     | (1,266)          | 7,861            |
| Accounts payable, accruals, and other liabilities  | 11,224                  | 24,916           | (9,453)          |
| Income taxes   | (6,422)                 | 1,588            | (3,866)          |
| Long term liabilities and deferred charges   | <u>(1,305)</u>          | <u>5,146</u>     | <u>(3)</u>       |
| Net cash provided by operating activities  | <u>105,613</u>          | <u>123,935</u>   | <u>84,038</u>    |
| <b>Investing activities</b>  |                         |                  |                  |
| Purchase of franchise rights and other intangibles                                       | -                       | (20)             | -                |
| Capital expenditures and intangible software   | (4,888)                 | (6,439)          | (4,047)          |
| Proceeds from the disposal of property and equipment                                     | 255                     | 731              | 411              |
| Net advances to affiliate pursuant to cash pooling arrangement                           | <u>11,248</u>           | <u>(1,616)</u>   | <u>(54,191)</u>  |
| Net cash provided by (used in) investing activities                                      | <u>6,615</u>            | <u>(7,344)</u>   | <u>(57,827)</u>  |
| <b>Financing activities</b>  |                         |                  |                  |
| Dividends paid   | <u>(110,000)</u>        | <u>(110,000)</u> | <u>(85,000)</u>  |
| Net cash used in financing activities  | <u>(110,000)</u>        | <u>(110,000)</u> | <u>(85,000)</u>  |
| Effect of exchange rate changes on cash  | <u>(1,989)</u>          | <u>234</u>       | <u>(1,602)</u>   |
| Net increase (decrease) in cash and cash equivalents                                     | 239                     | 6,825            | (60,391)         |
| Cash and cash equivalents, beginning of year   | <u>27,032</u>           | <u>20,207</u>    | <u>80,598</u>    |
| Cash and cash equivalents, end of year   | <u>\$ 27,271</u>        | <u>\$ 27,032</u> | <u>\$ 20,207</u> |
| <b>Supplementary disclosures to consolidated statements of cash flows</b>                |                         |                  |                  |
| Cash paid for income taxes, net  | <u>\$ 37,288</u>        | <u>\$ 30,386</u> | <u>\$ 32,656</u> |

See accompanying notes to consolidated financial statements.



# INTERNATIONAL DAIRY QUEEN, INC. AND SUBSIDIARIES

(A Wholly Owned Subsidiary of Berkshire Hathaway Inc.)

## Notes to Consolidated Financial Statements

*In thousands*

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### 1. NATURE OF BUSINESS

International Dairy Queen, Inc. (the “Company”) is a wholly owned subsidiary of Berkshire Hathaway Inc. (“Berkshire”). The Company is engaged in developing, licensing, franchising, and servicing a system of approximately 7,700 retail restaurants featuring over-the-counter sales of dairy desserts, food, and blended fruit drinks. On December 31, 2024 and 2023, the Company operated two Dairy Queen restaurants.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Basis of Presentation**—The consolidated financial statements were prepared in accordance with generally accepted accounting principles (GAAP) in the United States of America and include the accounts of the Company and its affiliates after elimination of all significant intercompany balances and transactions. The Company’s fiscal year ends on December 31.

**Cash and Cash Equivalents**—Cash equivalents include all short-term investments with an original maturity of 90 days or less. Cash and cash equivalents are recorded at cost, which approximates their fair value.

**Notes and Accounts Receivable**—Accounts and notes receivable consist primarily of service fees, franchise sales fees, and advertising fees due principally from franchisees and gift card receivables. Accounts receivable are recorded net of an allowance for expected credit losses. The allowance is recognized in an amount equal to anticipated future write-offs. The Company estimates future write-offs based on delinquencies, aging trends, industry risk trends, its historical experience and current trends.

**Cash Pooling Receivable from Affiliate**—In 2022, the Company began participating in a centralized cash management program (cash pooling) with an affiliate, BH Finance LLC (BH Finance), a wholly owned subsidiary of Berkshire. The agreement with BH Finance allows for day-to-day cash borrowing not to exceed \$10 million with no limit on invested amounts with BH Finance. Loans to the Company bear interest at the one-month SOFR rate. Loans by the Company to BH Finance bear interest at a rate established by BH Finance. The agreement automatically renews on December 31 of each year unless either party gives notice to the other party at least ninety days prior to the renewal date, in which case the amounts must be repaid. Amounts owed to the Company are shown as cash pooling receivable from affiliate.

**Inventories**—Inventories consist primarily of marketing material created or purchased for resale and are carried at the lower of cost (first-in, first-out) or net realizable value.

**Property and Equipment**—Property and equipment is stated at historical cost. Depreciation and amortization of property and equipment are computed on the straight-line method over the estimated useful lives of the assets or the remaining term of the lease for leasehold improvements. Estimated useful lives range from 3 to 10 years for equipment, the shorter of 20 years or remaining lease term for

leasehold improvements, and 15 to 40 years for buildings. Significant improvements that extend the lives of property and equipment are capitalized. Costs for repairs and maintenance are charged to expense as incurred. When property is retired or otherwise disposed of, the recorded cost of the assets and their related accumulated depreciation are removed from the Consolidated Balance Sheets and any related gains or losses are included in income.

**Recoverability of Long-Lived Assets**—The Company reviews the recoverability of long-lived assets, such as property and equipment, for impairment whenever events or changes in circumstances indicate the carrying value of an asset or group of assets may not be recoverable. The Company determines potential impairment by comparing the carrying value of the assets with the net undiscounted cash flows expected to be provided by operating activities of the business or related products. If the sum of the expected future net undiscounted cash flows is less than the carrying value, the Company determines whether an impairment loss should be recognized. An impairment loss is measured by comparing the amount by which the carrying value exceeds the fair value of the assets. Impairment losses on long-lived assets held for sale are determined in a similar manner, except that fair values are reduced for the cost to dispose of the assets. The measurement of impairment requires the Company to estimate future cash flows and the fair value of long-lived assets. The Company did not record any long-lived asset impairments for the years ended December 31, 2024, 2023, and 2022.

**Goodwill and Intangibles**—Goodwill and indefinite-lived intangibles are recorded in accordance with Accounting Standards Codification (ASC or the “Codification”) 350, *Intangibles—Goodwill and Other*, and ASC 805, *Business Combinations*. The Company evaluates goodwill and indefinite-lived intangibles for impairment at least annually. The Company did not record any goodwill or intangible impairments for the years ended December 31, 2024, 2023, and 2022. Costs associated with the acquisition or development of software for internal use are capitalized and amortized over the expected useful life of the software, generally from 3 to 7 years.

**Leases**—Leases are recorded in accordance with ASC 842, *Leases* which requires a lessee to recognize a liability to make lease payments and an asset for the right to use the underlying asset for the lease term. A right of use asset and lease liability is recognized for all leases with lease terms greater than one year. Right of use assets are classified as operating lease assets and represent the right to use an underlying asset for the lease term. Lease liabilities are classified as operating lease liabilities and represent the obligation to make lease payments under the lease. Operating lease liabilities are measured based on the non-cancellable lease term using a risk-free interest rate for highly liquid market securities. Operating lease assets are reviewed for impairment whenever events or changes in circumstances indicate that an operating lease asset’s carrying amount may not be recoverable.

**Committed Advertising**— The Company facilitates the collection of sales promotion funds from franchisees and administers programs to spend the funds for the purpose of growing sales and profits at franchised locations. Contributions to the advertising and marketing funds represent distinct performance obligations to administer the collection, spending and reporting of committed advertising activity. Franchise Advertising Committees, consisting of franchisee-elected representatives independent of the Company, approve annual promotional calendars and associated budgets and monitor performance against these budgets through periodic reporting. As a result, the Company acts as an agent of the committed advertising funds and thus records receipts and disbursements from the funds net on the balance sheet. Committed advertising, when in a net liability position, represents unexpended amounts received from franchisees to finance advertising programs. When in a net asset position, it represents expended amounts to be received from franchisees.

**Revenue Recognition**—Revenue is recognized when a good or service is transferred to a customer. A good or service is transferred as the customer obtains control of that good or service. Revenues are based on the consideration expected to be received in connection with the Company's promises to deliver goods and services to its customers. Contracts include various combinations of products and services which generally are capable of being distinct and accounted for as separate performance obligations. Substantially all of the Company's revenues are recognized at a point in time which is when services are provided. Sales are recognized net of any taxes collected from customers which are subsequently remitted to governmental authorities.

Service fees represent continuing license fees paid by franchisees and are based on sales activity at franchised locations. Service fee revenue is recognized as the usage of the license occurs which corresponds with the sales at franchised restaurants.

Other fees and franchise sales includes fees related to supply chain, new store development and the administration of franchise contracts. Supply chain fees are recognized at a point in time as products are sold by vendors and distributors to franchised locations. New store development fees are recognized as revenue when the Company's obligations regarding services to be performed in opening a restaurant are fulfilled which is generally at the time the restaurant is opened. Fees associated with the administration of franchise contracts principally relate to sales promotion management fees and fees assessed upon transfer and termination of franchise agreements. Such fees are recognized at a point in time when the services are performed. Sales promotion management fees are recognized as a percentage of sales promotion funds reported as Committed Advertising. Such funds are generated in conjunction with the sales of products at franchised locations and are managed by the Company to provide advertising programs on behalf of its franchisees. The management fees represent revenues of the Company that are earned upon its performance obligation to oversee the collection and administration of sales promotion funds.

A portion of the fees associated with the renewal of franchise agreements and new store development are recognized over the contractual term of the agreement during which time the Company is obligated to provide continuing licensing rights. Unearned revenue, representing a contract liability, is recorded when revenue is recognized subsequent to invoicing and represents revenue related to sales of licensing rights in certain geographic areas, revenue associated with contract renewals, and revenue associated with store openings in which the Company is not required to provide store opening services to franchisees. Unearned revenue is generally invoiced at the beginning of each contract period for multi-year agreements and recognized ratably over the life of the agreement. Unearned revenue is denoted as deferred franchise income on the consolidated balance sheets.

Sales by company-owned restaurants and sales of advertising kits represent the sales of products to customers in restaurants that are owned by the Company and the sale of in-store promotional materials to franchised locations and are recognized at a point in time when control of the product transfers to the customer, which coincides with customer pickup or product delivery or acceptance, depending on terms of the arrangement.

**Income Taxes**—The Company is included in the consolidated federal tax return of Berkshire. The provision for income taxes included in these consolidated financial statements is prepared on a separate company basis with certain modifications to eliminate the effects of inconsistent conclusions related to realizability as a result of inclusion in the Berkshire consolidated return.

The Company accounts for income taxes under the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events

that have been included in the consolidated financial statements. Under this method, deferred tax assets and liabilities are determined based on the differences between the consolidated financial statements and tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in income in the period that includes the enactment date.

In general, it is the Company's practice and intention to permanently reinvest the earnings of its Canadian subsidiaries and that position has not changed following payment of the transition tax under the Tax Act. No deferred taxes have been provided for withholding taxes or other taxes that would result upon repatriation of undistributed foreign earnings of approximately \$8.8 million and \$8.5 million as of December 31, 2024 and 2023, respectively. To the extent these earnings are repatriated, foreign tax credits will be available to substantially eliminate any additional U.S. income taxes that might otherwise result from such repatriation.

The Company records net deferred tax assets to the extent it believes these assets will more likely than not be realized. In making such determination, the Company will consider all available positive and negative evidence, including scheduled reversals of deferred tax liabilities, projected future taxable income, tax planning strategies, and recent financial operations. In the event the Company were to determine that it would be able to realize its deferred income tax assets in the future in excess of the net recorded amount, the Company would make an adjustment to the valuation allowance, which would reduce the provision for income taxes. As of December 31, 2024 and 2023, the Company had a valuation allowance of \$3.7 million.

**Unredeemed Gift Card Liabilities**—The Company sells stored value gift cards of various denominations at Dairy Queen restaurants and other retail stores. Cash receipts from gift card sales are classified as a current liability on the Company's consolidated balance sheets. As gift cards are presented for redemption at Dairy Queen franchised restaurants, the liability is reduced through reimbursement to franchisees for the value redeemed. Based on historical redemption rates, a percentage of gift cards will never be redeemed, and the estimated value of unredeemed gift cards is recognized as gift card breakage reducing the liability. The Company recognizes gift card breakage over time in proportion to actual gift card redemptions. Breakage is recognized as a contribution to the Committed Advertising fund less management fees.

**Concentration of Credit Risk**—Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash equivalent investments, accounts and notes receivable, and cash pooling receivable from affiliate.

The Company places its cash equivalent investments with high-credit-quality financial institutions, with original maturities of 90 days or less and, by policy, limits the amount of credit exposure of any one financial institution. Accounts receivable are generally unsecured; however, concentrations of credit risk with respect to these receivables are limited due to the large number of franchisees and their dispersion across many different geographic areas. Notes receivable are generally secured by the equipment purchased or the existing franchise agreement.

**Use of Estimates**—The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements, the reported amounts of revenues and expenses during the reporting period and accompanying notes. Accounts

affected by significant estimates include service fee accruals, tax contingencies, and allowance for credit losses. Actual results could differ from those estimates.

**Foreign Currency Translation**—The financial statements of subsidiaries located outside the United States are measured using the local currency as the functional currency. Assets and liabilities of these subsidiaries are translated at the rates of exchange at the balance sheet date. Income and expense items are translated at average monthly rates of exchange. The resultant translation adjustments are included in accumulated other comprehensive loss, a separate component of stockholder's equity.

**Comprehensive Income**—The Company's comprehensive income consists of net income and foreign currency translation adjustments related to its investment in its Canadian subsidiary.

**Retained Deficit**—The Company has paid dividends to Berkshire in excess of net income and has resulted in a retained deficit on the consolidated balance sheets as of December 31, 2024 and 2023.

### 3. PROPERTY AND EQUIPMENT

Property and equipment as of December 31 consisted of the following:

|                                 | 2024             | 2023             |
|---------------------------------|------------------|------------------|
| Property and equipment—at cost: |                  |                  |
| Land                            | \$ 1,408         | \$ 1,408         |
| Buildings                       | 1,969            | 1,966            |
| Leasehold improvements          | 7,351            | 7,352            |
| Equipment                       | 7,557            | 7,227            |
| Vehicles                        | 4,522            | 4,598            |
| Construction in process         | 5                | -                |
|                                 | <u>22,812</u>    | <u>22,551</u>    |
| Property and equipment—at cost  | 22,812           | 22,551           |
| Less accumulated depreciation   | <u>11,909</u>    | <u>10,242</u>    |
| Property and equipment—net      | <u>\$ 10,903</u> | <u>\$ 12,309</u> |

Depreciation expense for the years ended December 31, 2024, 2023, and 2022, was \$2,341, \$2,378, and \$2,275, respectively.

### 4. GOODWILL AND OTHER INTANGIBLES

As discussed in Note 2, the Company accounts for goodwill under the provisions of ASC 350 and ASC 805. The Codification requires business combinations to be accounted for using the purchase method of accounting and broadens the criteria for recording intangible assets other than goodwill.

Franchise rights reacquired prior to January 1, 2005, are classified in the consolidated balance sheets as goodwill. The Codification requires franchise rights reacquired subsequent to January 1, 2005, to be recognized as an intangible asset apart from goodwill. Intangibles include any reacquired franchise rights and trademarks/trade names acquired after January 1, 2005.

The Company tests goodwill and indefinite lived intangible assets for impairment on an annual basis, or more frequently if events or changes in circumstances indicate that the asset might be impaired, based on several factors, including operating results, business plans, and future estimated cash flows. The Company has elected to perform its annual tests for indications of goodwill and intangible asset

impairment as of December 31 of each year. Impairment testing is done at a reporting unit level. An impairment loss is recognized when the carrying amount of the reporting unit's net assets exceeds the estimated fair value of the reporting unit. The estimated fair value is determined using a discounted future cash flow analysis.

The net carrying value of goodwill as of December 31, 2024 and 2023, includes \$1.2 million of accumulated impairment. The changes in the carrying value of goodwill for the years ended December 31 were as follows:

|                                | <b>2024</b>             | <b>2023</b>             |
|--------------------------------|-------------------------|-------------------------|
| Net carrying value—January 1   | \$ 92,214               | \$ 92,162               |
| Foreign currency translation   | <u>(191)</u>            | <u>52</u>               |
| Net carrying value—December 31 | <u><u>\$ 92,023</u></u> | <u><u>\$ 92,214</u></u> |

The following is a summary of the components of intangible assets as of December 31:

|                              | <b>2024</b>             |                                     |                         | <b>2023</b>             |                                     |                         |
|------------------------------|-------------------------|-------------------------------------|-------------------------|-------------------------|-------------------------------------|-------------------------|
|                              | <b>Cost</b>             | <b>Accumulated<br/>Amortization</b> | <b>Net</b>              | <b>Cost</b>             | <b>Accumulated<br/>Amortization</b> | <b>Net</b>              |
| <b>Indefinite-lived</b>      |                         |                                     |                         |                         |                                     |                         |
| Territorial franchise rights | \$ 73,275               | \$ -                                | \$ 73,275               | \$ 73,295               | \$ -                                | \$ 73,295               |
| <b>Definite-lived</b>        |                         |                                     |                         |                         |                                     |                         |
| Software                     | <u>13,619</u>           | <u>(4,496)</u>                      | <u>9,123</u>            | <u>9,788</u>            | <u>(3,034)</u>                      | <u>6,754</u>            |
| Total                        | <u><u>\$ 86,894</u></u> | <u><u>\$ (4,496)</u></u>            | <u><u>\$ 82,398</u></u> | <u><u>\$ 83,083</u></u> | <u><u>\$ (3,034)</u></u>            | <u><u>\$ 80,049</u></u> |

Amortization expense for the years ended December 31, 2024, 2023, and 2022, was \$1,462, \$973, and \$585, respectively.

Estimated future amortization expense is as follows:

**Years ending December 31**

|            |                        |
|------------|------------------------|
| 2025       | \$ 1,899               |
| 2026       | 1,570                  |
| 2027       | 1,509                  |
| 2028       | 1,498                  |
| 2029       | 1,334                  |
| Thereafter | <u>1,313</u>           |
| Total      | <u><u>\$ 9,123</u></u> |

## 5. OTHER ASSETS

Other long-term assets as of December 31 consisted of the following:

|                       | 2024             | 2023             |
|-----------------------|------------------|------------------|
| Deferred compensation | \$ 27,222        | \$ 24,858        |
| Deferred incentives   | 6,080            | 7,627            |
| Notes receivable      | 92               | 44               |
| Other                 | <u>18</u>        | <u>18</u>        |
| Total                 | <u>\$ 33,412</u> | <u>\$ 32,547</u> |

The Company has a deferred compensation plan that enables U.S. officers of the Company to defer a specified percentage of their cash compensation into mutual funds within a rabbi trust. The Company accounts for this deferred compensation plan in accordance with ASC 710, *Compensation*. All the funds within the plan are classified as Level 1 in accordance with ASC 820, *Fair Value Measurements and Disclosures*. This classification is based on the ability of these mutual funds to actively trade with enough frequency and volume to enable pricing information to be obtained on an ongoing basis. The Company didn't make any contributions to the plan for the years ended December 31, 2024, 2023, and 2022.

The Company periodically offers an incentive program for franchisees who invest in their stores, including remodels, technology investments, or building new stores. The programs typically offer an incentive equal to the lesser of a percentage of specific capital costs of improving or building a restaurant or a specified incentive dollar limit. The incentives generally are amortized over the period of expected increased economic benefit resulting from the investment, which ranges from 3 to 7 years, depending on the scope of the project. If a location that was awarded an incentive subsequently closes, the Company's policy is to expense the remaining unamortized portion of the incentive in the year of the location closure.

## 6. OTHER LIABILITIES

Other current liabilities as of December 31 consisted of the following:

|  | 2024             | 2023             |
|--|------------------|------------------|
| Accrued salaries and benefits                | \$ 21,255        | \$ 19,259        |
| Charity donations collected from franchisees | 6,902            | 6,640            |
| Deposits                                     | 8,098            | 11,984           |
| Accrued remodel incentives                   | 196              | 237              |
| Other  | <u>438</u>       | <u>493</u>       |
| Total  | <u>\$ 36,889</u> | <u>\$ 38,613</u> |

Other long-term liabilities as of December 31 consisted of the following:

|                            | <b>2024</b>             | <b>2023</b>             |
|----------------------------|-------------------------|-------------------------|
| Deferred compensation      | \$ 27,222               | \$ 24,858               |
| Incentive compensation     | 12,755                  | 16,564                  |
| Accrued remodel incentives | 173                     | 268                     |
| Other                      | <u>5</u>                | <u>12</u>               |
| Total                      | <u><u>\$ 40,155</u></u> | <u><u>\$ 41,702</u></u> |

## 7. INCOME TAXES

The provision for income taxes for the years ended December 31 consisted of the following:

|              | <b>2024</b>             | <b>2023</b>             | <b>2022</b>             |
|--------------|-------------------------|-------------------------|-------------------------|
| Current:     |                         |                         |                         |
| U.S. federal | \$ 15,192               | \$ 16,643               | \$ 15,049               |
| State        | 4,443                   | 4,825                   | 4,341                   |
| Foreign      | <u>11,322</u>           | <u>10,517</u>           | <u>9,368</u>            |
|              | <u>30,957</u>           | <u>31,985</u>           | <u>28,758</u>           |
| Deferred:    |                         |                         |                         |
| U.S. federal | 391                     | (1,695)                 | (315)                   |
| State        | 85                      | (274)                   | (51)                    |
| Foreign      | <u>(161)</u>            | <u>(46)</u>             | <u>(52)</u>             |
|              | <u>315</u>              | <u>(2,015)</u>          | <u>(418)</u>            |
| Total        | <u><u>\$ 31,272</u></u> | <u><u>\$ 29,970</u></u> | <u><u>\$ 28,340</u></u> |

Included in foreign taxes are taxes withheld by foreign countries on dividends and service fees received by U.S. entities.

A reconciliation of differences between the U.S. federal statutory income tax rate and the consolidated effective tax rate for the years ended December 31 were as follows:

|  | <b>2024</b>           | <b>2023</b>           | <b>2022</b>           |
|--|-----------------------|-----------------------|-----------------------|
| U.S. federal statutory rate            | 21.00 %               | 21.00 %               | 21.00 %               |
| State income tax—net of federal effect | 2.77                  | 2.90                  | 2.86                  |
| Foreign income tax                     | 0.58                  | 0.82                  | 0.88                  |
| Other—net                              | <u>(0.14)</u>         | <u>(0.52)</u>         | <u>(0.54)</u>         |
| Consolidated effective tax rate        | <u><u>24.21 %</u></u> | <u><u>24.20 %</u></u> | <u><u>24.20 %</u></u> |



The Company's deferred tax assets and liabilities as of December 31 were as follows:

|  | <b>2024</b>             | <b>2023</b>             |
|--|-------------------------|-------------------------|
| Deferred tax assets:                           |                         |                         |
| Employee benefits                              | \$ 11,722               | \$ 12,497               |
| Notes/accounts receivable/inventory allowances | 290                     | 205                     |
| Operating lease liability                      | 1,907                   | 2,043                   |
| Deferred revenue                               | 641                     | 597                     |
| Capitalized research and development           | 1,279                   | 1,039                   |
| Other  | <u>-</u>                | <u>1,449</u>            |
| Total deferred tax assets                      | <u>15,839</u>           | <u>17,830</u>           |
| Deferred tax liabilities:                      |                         |                         |
| Goodwill and other intangibles                 | 27,871                  | 28,933                  |
| Fixed assets                                   | 3,256                   | 3,158                   |
| Operating lease assets                         | 1,160                   | 1,231                   |
| Other  | <u>1,204</u>            | <u>1,845</u>            |
| Total deferred tax liabilities                 | <u>33,491</u>           | <u>35,167</u>           |
| Net deferred tax liabilities                   | <u><u>\$ 17,652</u></u> | <u><u>\$ 17,337</u></u> |

A valuation allowance of \$3.7 million after-tax was established for disallowed amortization of Franchise Rights between November 1, 1970 and July 25, 1991.

The Company does not have any unrecognized tax benefits as of December 31, 2024 and 2023.

The Company is subject to taxation in the United States and various state and foreign jurisdictions. The tax years for 2012 through 2024 are subject to examination by the Internal Revenue Service. The expiration of the statute of limitations related to the various state and foreign income tax returns that the Company files varies by jurisdiction; in general, the years 2014 through 2024 remain open for state purposes.

## **8. LEASES**

The Company and its subsidiaries have leases for administrative facilities, equipment, and one retail restaurant facility. Most of the leases require the lessee to pay executory costs (property taxes, maintenance, and insurance) and many of the leases provide for one or more renewal options. The retail restaurant facility lease requires the Company to pay the greater of an annual base rent amount or a percentage of annual gross sales, as defined in the lease agreement.

Total remaining operating lease payments are as follows:

**Years ending December 31**

|                             |                |
|-----------------------------|----------------|
| 2025                        | \$ 1,192       |
| 2026                        | 1,216          |
| 2027                        | 1,235          |
| 2028                        | 1,180          |
| 2029                        | 1,308          |
| Thereafter                  | <u>2,941</u>   |
| Total lease payments        | 9,072          |
| Imputed interest            | <u>(763)</u>   |
| Operating lease liabilities | <u>\$8,309</u> |

The weighted average term of these leases is 6.8 years, 7.7 years, and 8.6 years as of December 31, 2024, 2023 and 2022, respectively, and the weighted average discount rate used to measure operating lease liabilities was 2.38% for the years ended December 31, 2024, 2023, and 2022.

Components of operating lease costs are as follows:

**Years ending December 31**

|                             | <b>2024</b>    | <b>2023</b>    | <b>2022</b>    |
|-----------------------------|----------------|----------------|----------------|
| Operating lease cost        | \$ 981         | \$ 1,002       | \$ 1,072       |
| Short-term lease cost       | 15             | 15             | 15             |
| Variable lease cost         | <u>734</u>     | <u>791</u>     | <u>618</u>     |
| Total operating lease costs | <u>\$1,730</u> | <u>\$1,808</u> | <u>\$1,705</u> |

Cash paid for amounts included in the present value of operating lease liabilities was an operating cash outflow of \$1,182, \$1,179, and \$1,155 for the years ended December 31, 2024, 2023, and 2022 respectively.

## 9. EMPLOYEE BENEFIT PLANS

The Company sponsors a retirement savings plan. Substantially all permanent full-time employees of the Company and participating affiliates are eligible to participate and may contribute from 1% to 35% of their base pays, subject to Internal Revenue Service limitations. For the Plan year ending December 31, 2024, the Company match increased to 100% of the first 2% contributed and 50% of the next 4% contributed for a maximum Company match of 4%. For the Plan years ending December 31, 2023, and 2022, the Company matched 100% of the first 1% contributed and 50% of the next 5% contributed for a maximum Company match of 3.5%. The Company's contribution including administrative fees for the years ended December 31, 2024, 2023, and 2022, was \$1,857, \$1,520, and \$1,411, respectively.

## 10. CONTINGENCIES

The Company is involved in various legal proceedings in the ordinary course of its business. In the opinion of the Company's management, the ultimate disposition of these proceedings and claims will not have a material effect on the consolidated financial position or results of operations of the Company.

## 11. RELATED PARTY TRANSACTIONS

In the ordinary course of business, the Company has transactions between Berkshire and its affiliates that are included in these consolidated financial statements.

As described in Note 2, the Company participates in a centralized cash management program (cash pooling) with BH Finance, a wholly owned subsidiary of Berkshire. As of December 31, 2024 and 2023, the Company had a cash pooling receivable due from BH Finance of \$44.6 million and \$55.8 million, respectively. The Company also recognized interest income from BH Finance of \$2.6 million, \$2.6 million, and \$0.6 million for the years ended December 31, 2024, 2023, and 2022 respectively.

The Company paid dividends of \$110 million, \$110 million, and \$85 million to Berkshire for the years ended December 31, 2024, 2023, and 2022, respectively.

The Company recognized revenue for supply chain and services fees from Berkshire affiliates for the years ended December 31, 2024, 2023, and 2022, of \$0.3 million, \$0.4 million, and \$0.5 million, respectively.

## 12. SUBSEQUENT EVENTS

In accordance with ASC 855, *Subsequent Events*, the Company has considered subsequent events for recognition or disclosure through February 7, 2025, the date that the financial statements are available to be issued. No subsequent events were noted.

\* \* \* \* \*

## GUARANTEE OF PERFORMANCE

For value received, International Dairy Queen, Inc., a Delaware Corporation (the “Guarantor”), located at 8000 Tower, Suite 700, 8331 Norman Center Drive, Bloomington, MN 55437, absolutely and unconditionally guarantees to assume the duties and obligations of American Dairy Queen Corporation, located at 8000 Tower, Suite 700, 8331 Norman Center Drive, Bloomington, MN 55437 (the “Franchisor”), under its franchise registration in each state where the franchise is registered, and under its Franchise Agreement identified in its 2025 Franchise Disclosure Document, as it may be amended, and as that Franchise Agreement may be entered into with franchisees and amended, modified or extended from time to time. This guarantee continues until all such obligations of the Franchisor under its franchise registrations and the Franchise Agreement are satisfied or until the liability of Franchisor to its franchisees under the Franchise Agreement has been completely discharged, whichever first occurs. The Guarantor is not discharged from liability if a claim by a franchisee against the Franchisor remains outstanding. Notice of acceptance is waived. The Guarantor does not waive receipt of notice of default on the part of the Franchisor. This guarantee is binding on the Guarantor and its successors and assigns.

The Guarantor signs this guarantee at Minneapolis, Minnesota on the 27th day of March 2025.

Guarantor:

INTERNATIONAL DAIRY QUEEN, INC.

By: *Genevieve Beck*

Name: Genevieve Beck

Title: Vice President & Assistant General Counsel

**EXHIBIT L**

Receipts

## 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:

|              |   |
|--------------|---|
| California   | March 27, 2025, as amended April 23, 2025 |
| Hawaii       | Pending                                   |
| Illinois     | March 27, 2025, as amended April 23, 2025 |
| Indiana      | March 27, 2025, as amended April 23, 2025 |
| Maryland     | March 31, 2025, as amended April 23, 2025 |
| Michigan     | March 28, 2025, as amended April 23, 2025 |
| Minnesota    | April 9, 2025, as amended [pending]       |
| New York     | March 27, 2025, as amended April 23, 2025 |
| North Dakota | March 28, 2025, as amended April 23, 2025 |
| Rhode Island | March 29, 2025, as amended April 23, 2025 |
| South Dakota | March 27, 2025, as amended April 23, 2025 |
| Virginia     | April 2, 2025, as amended [pending]       |
| Washington   | March 27, 2025, as amended April 23, 2025 |
| Wisconsin    | March 27, 2025, as amended April 23, 2025 |

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.

## RECEIPT

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If ADQ offers you a franchise, it must provide this disclosure document to you at least 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

**Michigan requires that ADQ 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 ADQ does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state agency referred to in Exhibit A.

ADQ's franchise sellers involved in the offering and sale of new franchises are Gregg Benvenuto, ADQ's Vice President - Franchise Development, Jennifer Rude, ADQ's Franchise Sales and Development Director, and Franchise Developer Roger Schone (Central West Region), Tara Vigil (Southeast Region), York Ragsdale (Northeast Region), or Chris LaRoe (West Region). Their address is 8000 Tower, Suite 700, 8331 Norman Center Drive Bloomington, MN 55437, and phone number is (952) 830-0200. If any other franchise seller is involved in this transaction, his or her address and phone number will be the same, with the name provided here: \_\_\_\_\_.

Issuance date: March 27, 2025, as amended April 23, 2025 (for registration state effective dates see "State Effective Dates" page immediately preceding these Receipt pages)

I received a disclosure document with an issuance date of March 27, 2025, as amended April 23, 2025, that included the following Exhibits: A) List of State Administrators/Agents for Service of Process; B) Operating Agreement with Guarantee and related Addenda and Appendices; C) Conversion Addenda; D) Franchise Application; E) Third-Party Agreements Related to the EPOS System; F) Design Services Agreement; G) Construction Consultation Services Agreement; H) Tables of Contents for Manuals; I) List of franchises; J) List of franchisees whose franchise agreements were terminated or transferred; K) Financial Statements (with Guarantee of Performance); and L) Receipts.

### FRANCHISEE (For an Entity)

Date: \_\_\_\_\_

\_\_\_\_\_, a \_\_\_\_\_, a

\_\_\_\_\_

By: \_\_\_\_\_

(Signature of person signing on behalf of entity)

\_\_\_\_\_  
(Print name of person signing on behalf of entity)

Its: \_\_\_\_\_

(Title of person signing on behalf of entity)

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_

Phone: ( ) \_\_\_\_\_ Zip: \_\_\_\_\_

Prospective Applicant's Copy

### FRANCHISEE (For an Individual)

Date: \_\_\_\_\_

Signed: \_\_\_\_\_

Print Name: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_

Phone: ( ) \_\_\_\_\_ Zip: \_\_\_\_\_

Date: \_\_\_\_\_

Signed: \_\_\_\_\_

Print Name: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_

Phone: ( ) \_\_\_\_\_ Zip: \_\_\_\_\_

## RECEIPT

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If ADQ offers you a franchise, it must provide this disclosure document to you at least 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

**Michigan requires that ADQ 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.**

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ADQ's franchise sellers involved in the offering and sale of new franchises are Gregg Benvenuto, ADQ's Vice President - Franchise Development, Jennifer Rude, ADQ's Franchise Sales and Development Director, and Franchise Developer Roger Schone (Central West Region), Tara Vigil (Southeast Region), York Ragsdale (Northeast Region), or Chris LaRoe (West Region). Their address is 8000 Tower, Suite 700, 8331 Norman Center Drive Bloomington, MN 55437, and phone number is (952) 830-0200. If any other franchise seller is involved in this transaction, his or her address and phone number will be the same, with the name provided here: \_\_\_\_\_.

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### FRANCHISEE (For an Entity)

Date: \_\_\_\_\_

\_\_\_\_\_, a  
\_\_\_\_\_

By: \_\_\_\_\_  
(Signature of person signing on behalf of entity)

\_\_\_\_\_  
(Print name of person signing on behalf of entity)

Its: \_\_\_\_\_  
(Title of person signing on behalf of entity)

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_

Phone: ( ) \_\_\_\_\_ Zip: \_\_\_\_\_

Office Copy

### FRANCHISEE (For an Individual)

Date: \_\_\_\_\_

Signed: \_\_\_\_\_

Print Name: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_

Phone: ( ) \_\_\_\_\_ Zip: \_\_\_\_\_

Date: \_\_\_\_\_

Signed: \_\_\_\_\_

Print Name: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_

Phone: ( ) \_\_\_\_\_ Zip: \_\_\_\_\_