

## FRANCHISE DISCLOSURE DOCUMENT



Decimal Franchising, LLC  
a Delaware limited liability company  
7951 Westfield Blvd.  
Indianapolis, IN 46240  
317-590-5070  
[info@decimalfranchise.com](mailto:info@decimalfranchise.com)  
[www.decimalfranchise.com](http://www.decimalfranchise.com)

As a franchisee, you will own and operate a Decimal® business offering accounting, bookkeeping, tax, bill pay, reporting, invoicing, payroll support, and related advisory and consulting services to businesses, and have access to a proprietary platform of products and services to meet clients' needs. The total investment necessary to begin operation of a Decimal® business is ~~\$46,300~~[60,050](#) to ~~\$1,110,800~~[1,134,550](#). This includes \$32,550 to \$1,082,550 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.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats contact Matt Tait at ~~7591~~[7951](#) Westfield Blvd., Indianapolis, Indiana 46240 and (317) 590-5070.

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. Information on franchising, such as "[A Consumer's Guide to Buying a Franchise](#)," which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, D.C. 20580. You can also visit the FTC's home page at [www.ftc.gov](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: ~~August 18~~[April 29, 2025](#)~~2026~~

## How to Use This Franchise Disclosure Document

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

| QUESTION                                                                                 | WHERE TO FIND INFORMATION                                                                                                                                                                                                                                        |
|------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <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 this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibits F and G. |
| <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> | Item 21 or Exhibit C 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 Decimal 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 Decimal franchisee?</b>                                        | Item 20 or Exhibits F and G 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 I.

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

## Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in the city and state where the franchisor maintains its principal business address (currently Indianapolis, Indiana). Out-of-state mediation, arbitration or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate or litigate with the franchisor in Indiana than in your own state.
2. **Short Operating History.** The franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.
3. **Sales Performance Required.** You must maintain minimum sales performance levels. Your inability to maintain these levels may result in loss of any territorial rights you are granted, termination of your franchise, and loss of your investment.
4. **Supplier Control.** You must purchase all or nearly all of the inventory or supplies that are necessary to operate your business from the franchisor, its affiliates, or suppliers that the franchisor designates, at prices the franchisor or they set. These prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your franchise business.
5. **Financial Condition.** The franchisor's financial condition, as reflected in its financial statements (see Item 21), calls into question the franchisor's financial ability to provide services and support to you.

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.

**THE FOLLOWING APPLIES TO TRANSACTIONS GOVERNED BY  
THE MICHIGAN FRANCHISE INVESTMENT LAW ONLY**

**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:

1. A prohibition on the right of a franchisee to join an association of franchisees.
2. A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of the rights and protection provided in this act. This will not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
3. A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause will include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.
4. 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.
5. 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.
6. A provision that requiring that arbitration or litigation be conducted outside this state. This will not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.
7. A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause will include, but is not limited to:

- a. The failure of the proposed transferee to meet the franchisor's then-current reasonable qualifications or standards.
  - b. The fact that the proposed transferee is a competitor of the franchisor or sub-franchisor.
  - c. The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.
  - d. 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.
8. 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).
9. A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual services.

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

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

Any questions regarding this notice should be directed to:

State of Michigan Department of Attorney General  
G. Mennen Williams Building, 7<sup>th</sup> Floor  
525 W. Ottawa Street  
Attn: Franchise Section  
Lansing, Michigan 48909  
Telephone Number: (517) 335-7567

Notwithstanding paragraph (6) above, we intend to enforce fully the provisions of the arbitration sections in our Franchise Agreement. We believe that paragraph (6) is unconstitutional and cannot preclude us from enforcing our arbitration provision. If you acquire a franchise, you acknowledge that we will seek to enforce that section as written, and that the terms of the Franchise Agreement will govern our relationship with you, including the specific requirements of the arbitration section.

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### Exhibits

|     |                                                  |
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| A   | Franchise Agreement                              |
| B   | State Addenda                                    |
| C   | Financial Statements                             |
| D   | Operations Manual Table of Contents              |
| E-1 | Form of Client Acquisition Agreement             |
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| F   | List of Franchisees                              |
| G   | List of Franchisees Who Have Left the System     |
| H   | Release Signed upon Renewal or Transfer          |
| I   | State Agencies and Agents for Service of Process |
| J   | Franchise Compliance Certification               |

## Item 1

### **THE FRANCHISOR AND ANY PARENTS, PREDECESSORS, AND AFFILIATES**

#### **Us and Our Related Companies**

To simplify the language in this disclosure document, “**we**” or “**us**” means Decimal Franchising, LLC, the franchisor. “**You**” means the person or entity that acquires the franchise. If you are a corporation, limited liability company, or other entity, your owners must sign either the Guaranty or Key Personnel Agreement attached to the “**Franchise Agreement**” (Exhibit A), which means that some of the provisions of the Franchise Agreement also will apply to them.

We are a limited liability company organized in Delaware in May 2025. We do business under the name Decimal®. We began offering franchises in ~~July~~[August](#) 2025. Our principal business address is 7951 Westfield Blvd., Indianapolis, Indiana 46240. Our agents for service of process are listed in Exhibit I.

#### **Predecessors, Affiliates, and Parent**

We have no predecessors, and we do not have any affiliates that offer franchises in any line of business. Our parent company is Decimal Technologies, Inc. (“**DTI**”). DTI’s principal business address is 7951 Westfield Blvd., Indianapolis, Indiana 46240. It has never offered franchises in any line of business and does not provide products or services to our franchisees, but it ~~owns~~[owned](#) and ~~has~~[operated](#) the first Decimal business ~~since~~[from](#) March 2022 [until March 2026](#) and may sell you client accounts if you exercise the Franchisee Purchase Option described below. We have never operated Decimal® businesses or offered franchises in any other line of business. We have no other business activities except franchising Decimal® businesses.

Our affiliate Decimal Franchise Services, LLC (“**DFS**”) has a principal business address of 7951 Westfield Blvd., Indianapolis, Indiana 46240. DFS coordinates third-party services and is a designated supplier of certain products and services for our franchisees. These products and services currently include: computer hardware and hardware acquisition guidelines, a software suite (which, among other things, currently includes access to an accounting and financial management application, a sales and customer relationship management application, a human resources and security application, and a communication and collaboration application), staff recruitment and training resources, a delivery support payroll system, a billing and collections administration application, and Queues support, which includes bookkeeping and month-end close services to clients of Decimal® businesses. DFS personnel may be located overseas and exclusively provide remote support to our franchisees.

#### **Franchise Opportunity**

We grant franchises for businesses that use the Franchise System (defined below) in association with the Marks (defined below) to provide accounting, bookkeeping, tax, bill pay, reporting, invoicing, payroll support, and related advisory and consulting services to businesses. In this disclosure document the provision of such services is referred to as the “**Decimal Business.**”

The “**Marks**” include certain trademarks, service marks, and other commercial symbols we designate for use in operating Decimal Businesses, all of which we may periodically modify, substitute, and rebrand. The “**Franchise System**” includes the business system, formats, processes, methods, procedures, trade dress, standards, specifications, and Marks, all of which we may periodically improve, further develop, and otherwise modify and substitute.

In this disclosure document, we refer to the Decimal Business that you will operate under the Franchise Agreement as your “**Franchise.**” You must operate the Franchise from a site we accept (the “**Site**”), which may be your personal residence, and according to the operations manual and other materials that we provide you with access to during the Franchise Agreement’s term (the “**Operations Manual**”). The Operations Manual contains mandatory and suggested specifications, standards, operating procedures and rules that we periodically specify for developing and operating Decimal Businesses (“**System Standards**”). The Franchise will offer a variety of accounting, bookkeeping, and financial consulting services that we authorize. You must offer all authorized services according to System Standards.

If you buy a Franchise and our parent company, DTI, has client accounts available for purchase at the time you sign the Franchise Agreement, you may have the option to purchase certain client accounts from DTI (the “**Franchisee Purchase Option**”). The client accounts available for purchase will be determined on a case-by-case basis. If the Franchisee Purchase Option is available to you and you choose to exercise it, simultaneously with the execution of the Franchise Agreement, you and DTI will sign a client acquisition agreement in the form attached to this disclosure document as Exhibit E-1 (the “**Client Acquisition Agreement**”) and you will assume DTI’s rights and obligations under each client agreement between DTI and each client account you purchase under the Client Acquisition Agreement, the current form of which is attached as an exhibit to the Client Acquisition Agreement. If you are unable to finance the purchase price for the client accounts, then DTI may (but is not required to) assist with that financing. If it does, you must also sign a promissory note in the form attached as Exhibit E-2 (the “**Promissory Note**”) and your owners (if you are a business entity) must sign a personal guaranty in the form attached as an exhibit to the Promissory Note (the “**Personal Guaranty**”).

### **Market and Competition**

The accounting, bookkeeping, and financial consulting industry is well-developed and competitive. Services related to tax preparation, advice, and filing may be seasonal, depending on the types of clients your Franchise services, but many of the services offered by your Franchise will be recurring and not seasonal. Your competitors will include local, regional and national firms and networks of accountants, bookkeepers, consultants, and business managers, which may compete in various ways, such as price, volume, service, quality, location, promotions and discounts, among others.

### **Industry Regulations**

There are no regulations specific to the business operated by the Franchise. In some states, you may be required to obtain a business license or be qualified as a certified public accountant to operate the Franchise. You must also comply with other laws and regulations that apply to businesses generally, such as the Americans with Disabilities Act and the Occupational Safety and

Health Administration. You should consider these and other laws and regulations, and consult with your own independent advisors when evaluating your purchase of a Franchise.

## Item 2

### **BUSINESS EXPERIENCE**

#### **Chief Executive Officer and Director: Matt Tait**

Matt Tait has been our Chief Executive Officer and Director since our formation in May 2025. He has also been the Chief Executive Officer of DFS since May 2025 and the Chief Executive Officer of DTI since January 2020. Matt serves in his present capacities in Indianapolis, Indiana.

#### **Chief Technology Officer and Director: Jacob Cloran**

Jacob has been our Chief Technology Officer and Director since our formation in May 2025. He has also been the Chief Technology Officer of DFS since May 2025 and the Chief Technology Officer of DTI since January 2020. Jacob serves in his present capacities in New York, New York [but expects to serve in these capacities in Indianapolis, Indiana as of May 2026.](#)

#### **Chief Operating Officer: Michael O'Connor**

Michael has been our Chief Operating Officer since our formation in May 2025. He has also been the Chief Operating Officer of DFS since May 2025 and the Chief Operating Officer of DTI since September 2022. From April 2022 to August 2022, Michael was in between positions. Before that, Michael was the President of Viral Launch in Indianapolis, Indiana from September 2020 to March 2022. ~~Prior to that, Michael was CEO of Pushly in Pelham, New York from January 2019 to August 2020.~~ Michael serves in his present capacities in Weston, Connecticut.

#### **Director: Patrick Meenan**

~~Patrick has been our Director since our formation in May 2025. He has also been Managing Partner of Arthur Ventures in Minneapolis, Minnesota since February 2012. Patrick serves in his present capacities in Minneapolis, Minnesota.~~

#### **VP of Finance: Nicole Freeman**

~~Nicole has been our VP of Finance since our formation in May 2025. She has also been the VP of Finance of DFS since May 2025 and the VP of Finance of DTI since February 2025. Before that, she was Director of Operations of DTI in Middletown, Delaware from April 2024 to January 2025. From March 2023 to April 2024, she was Associate Director of Client Delivery of DTI in Middletown, Delaware. Before that, she was Client Delivery Team Lead of DTI in Middletown, Delaware from January 2022 to February 2023. From August 2020 to December 2021, she was Accounting Coordinator of Mod Ventures LLC in Tucson, Arizona. Nicole serves in her present capacities in Tucson, Arizona.~~

Item 3

**LITIGATION**

No litigation is required to be disclosed in this Item.

Item 4

**BANKRUPTCY**

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

Item 5

**INITIAL FEES**

**Franchise Agreement**

When you sign the Franchise Agreement for your first Franchise, you must pay us an initial franchise fee of \$30,000. The initial franchise fee is a uniform non-refundable lump sum payment. If you are acquiring rights to establish an additional Franchise, the initial franchise fee will be reduced to 65% of our then-current initial franchise fee.

When you sign the Franchise Agreement you must also purchase at least one laptop computer from DFS. The laptop will come equipped with our designated software suite and applications for use in the Decimal Business's operation. The current cost for a single laptop is \$2,000, which includes shipping costs. This amount is uniform for all franchisees and is nonrefundable and payable in a lump sum.

Upon signing the Franchise Agreement, and before your Decimal Business opens, you must also commence payment of the monthly software suite as part of your DSP Fee, at \$300 per user per month, and the Marketing Technology Fee, at \$250 per month. These fees are uniform, nonrefundable, and payable in a lump sum.

**Client Acquisition Agreement**

If you exercise the Franchisee Purchase Option and buy client accounts from DTI, you and DTI will sign a Client Acquisition Agreement at the same time that you and we sign a Franchise Agreement. The Client Acquisition Agreement will list the purchase price for the client accounts you purchase, which we expect to range from \$50,000 to \$1,050,000. The purchase price will vary depending on the number, complexity, and historical performance of the client accounts. You typically will pay the entire purchase price to DTI when you sign the Client Acquisition Agreement. However, if you request, DTI might (if it chooses, at its option) offer to finance part of the purchase price. You then would sign the Promissory Note (and, if you are an entity, your owners would sign the Personal Guaranty) at the same time that you sign the Client Acquisition Agreement.

None of the initial fees payable under the Client Acquisition Agreement or Promissory Note are refundable.

Item 6

**OTHER FEES**

| <b>Column 1<br/>Type of Fee<sup>(1)</sup></b> | <b>Column 2<br/>Amount</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>Column 3<br/>Due Date</b> | <b>Column 4<br/>Remarks</b>                                                                                                                                                                                                                        |
|-----------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Royalty                                       | 10% of Gross Revenues <b>(2)</b> from Client Accounting Services and Tax Filing Services (collectively, “Accounting Services”), plus 5% of Gross Revenues from Tax Advisory Services and other Client Advisory Services (collectively, “Advisory Services”); however, if you provide Accounting Services and Advisory Services to any client and more than 50% of Gross Revenues from that client are derived from Advisory Services, then you must pay us 10% of 50% of the combined Gross Revenues earned from Accounting Services and Advisory Services (regardless of how the services are actually allocated) from that client, plus 5% of the remaining 50% of Gross Revenues from that client | Weekly                       | DSF will calculate the weekly Royalty Fee applicable to the services you render to clients in the operation of your Decimal Business during the preceding week.                                                                                    |
| Brand Fund Contribution                       | Currently 2% of Gross Revenues                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Weekly                       | We reserve the right to increase the required weekly contribution to no more than 3% of Gross Revenues upon notice to the network of franchisees.                                                                                                  |
| Local Marketing Spend <b>(3)</b>              | \$12,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Annually                     | This amount will be paid to a third party unless you fail to spend the required amount, in which case the shortfall must be paid as an additional Brand Fund Contribution. We may increase the Local Marketing spend amount by up to 10% annually. |

| <b>Column 1<br/>Type of Fee<sup>(1)</sup></b> | <b>Column 2<br/>Amount</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>Column 3<br/>Due Date</b> | <b>Column 4<br/>Remarks</b>                                                                                                                                                                                                                                                                                               |
|-----------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Advertising Cooperative Fees                  | Currently not assessed                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | As incurred                  | See Note (4)                                                                                                                                                                                                                                                                                                              |
| Designated Service Provider (DSP) Fees (5)    | <ul style="list-style-type: none"> <li>• Software Suite: \$300 per user per month</li> <li>• Recruitment: \$750 per recruit</li> <li>• Staff Training: \$750 per trainee</li> <li>• Hardware Acquisition: \$1,000 to \$2,000 per station</li> <li>• Delivery Support Payroll: \$1,100 to \$3,000 per month per staff member</li> <li>• Delivery Support Management Fee: \$650 per month per staff member</li> <li>• Billing and Collections: 1% of Gross Revenues plus applicable payment processing fees</li> <li>• Client Technology Fee: \$30 per client entity per month</li> <li>• Queues Support: Queues Support Fees (as defined in Note 5)</li> </ul> | Monthly                      | DSP Fees are payable to DFS or to one or more designated third-party product or service providers.                                                                                                                                                                                                                        |
| Marketing Technology Fee (6)                  | Currently \$250                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Monthly                      | We may increase the Marketing Technology Fee upon 30 days' notice to the network of franchisees. We will not increase the Marketing Technology Fee more frequently than once per calendar year and will not increase it by more than 20% annually. Currently, the Marketing Technology Fee covers one Salesforce license. |
| Ongoing Training                              | Currently none but we may charge fees up to \$50 per attendee per day (not including travel, lodging, food or other living expenses) for training courses, programs, evaluations, and conventions                                                                                                                                                                                                                                                                                                                                                                                                                                                             | As incurred                  |                                                                                                                                                                                                                                                                                                                           |
| Supplier, distributor and product review fees | An amount equal to the reasonable cost of the inspection and our actual cost of testing the proposed product or evaluating the proposed service or service provider, including personnel and travel costs, whether or not the                                                                                                                                                                                                                                                                                                                                                                                                                                 | As incurred                  | Payable only if you ask us to review a new supplier, distributor or product.                                                                                                                                                                                                                                              |

| Column 1<br>Type of Fee <sup>(1)</sup> | Column 2<br>Amount                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Column 3<br>Due Date         | Column 4<br>Remarks                                                                                                                                                                                                                                          |
|----------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                        | item, service, supplier or service provider is approved                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                              |                                                                                                                                                                                                                                                              |
| Transfer Fee                           | <ul style="list-style-type: none"> <li>• Non-Control Transfer: 25% of the then-current initial franchise fee</li> <li>• Control Transfer: 75% of the then-current initial franchise fee (if the transferee is not a Decimal Business franchisee at the time of the transfer) or 50% of the then-current initial franchise fee (if the transferee is a Decimal Business franchisee at the time of the transfer), \$5,000 of which is due as a deposit upon request for our consent to transfer</li> </ul> | As incurred                  |                                                                                                                                                                                                                                                              |
| Successor Franchise Fee                | 15% of the then-current initial franchise fee                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Upon start of successor term |                                                                                                                                                                                                                                                              |
| Costs and attorneys' fees              | Actual costs and fees                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | As incurred                  | Payable under Franchise Agreement by non-prevailing party if we or you initiate legal proceedings.                                                                                                                                                           |
| Indemnification                        | Actual costs                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | As incurred                  | You must indemnify and reimburse us and our affiliates under Franchise Agreement if we or they incur costs for claims arising from the Franchise's development or operation, your business, your breach of the agreement or your noncompliance with any law. |
| Interest                               | 1.5% per month or highest interest rate the law allows, whichever is less                                                                                                                                                                                                                                                                                                                                                                                                                                | As incurred                  | Due on all overdue amounts and dishonored payments.                                                                                                                                                                                                          |
| Loan repayments under Promissory Note  | Specified in Promissory Note; ranges from approximately \$850 to \$25,000 per month but may vary depending on principal loan amount, repayment period, and then-current interest rate                                                                                                                                                                                                                                                                                                                    | Monthly                      | Payable to DTI only if you exercise the Franchisee Purchase Option and DTI provides financing for your purchase of the client accounts.                                                                                                                      |

| <b>Column 1<br/>Type of Fee<sup>(1)</sup></b> | <b>Column 2<br/>Amount</b>                                                                                                                                                                                                                                                                                                                                                                                      | <b>Column 3<br/>Due Date</b> | <b>Column 4<br/>Remarks</b>                                                                                                                                                                                                                    |
|-----------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Insurance reimbursement                       | Amount of the premiums plus our actual costs and expenses incurred in obtaining insurance for you and making the corresponding premium payments                                                                                                                                                                                                                                                                 | As incurred                  | Due only if you fail to maintain (or prove you have) insurance and we, at our option, obtain insurance for you.                                                                                                                                |
| Audit expenses                                | Actual cost of audit                                                                                                                                                                                                                                                                                                                                                                                            | As incurred                  | Due only if you fail to timely furnish reports or understate Royalty or Brand Fund Contribution by 2% or more.                                                                                                                                 |
| Evaluations                                   | Our actual expenses associated with correcting your failures to comply with System Standards                                                                                                                                                                                                                                                                                                                    | As incurred                  | If you fail to satisfy System Standards in any quality assurance evaluation, we may charge a reasonable fee for any additional evaluations, which will not exceed 100% of our actual costs incurred to conduct those additional evaluation(s). |
| Liquidated damages                            | The product of (a) the average Royalty Fees, Marketing Technology Fees, DSP Fees, and Brand Development Fund contributions that you owed us and DFS during the 12 full calendar month period before the month of termination (or such shorter period during which your Decimal Business operated), multiplied by (b) 36 or the number of months remaining in the Franchise Agreement's term, whichever is less. | As incurred                  | Covers certain damages we will suffer if we have to terminate the Franchise Agreement before its term expires.                                                                                                                                 |

### Explanatory Notes

- (1) Except as noted otherwise, all fees in this Item 6 are uniform, non-refundable, and imposed, collected, and payable to us.

You must sign and deliver to us the documents we periodically require authorizing us and DFS to debit your bank account automatically for all fees payable to us, and other amounts due under the Franchise Agreement or any related agreement between us (or our affiliates) and you. Under our current automatic client billing and franchisee debit program, at the time of each client payment transaction, DFS will collect client payments directly, pay us amounts due to us, retain for itself amounts due for DSP Fees, and remit

the remainder to you. You must make funds available for withdrawal by electronic transfer before each due date if any amounts collected from clients are insufficient to cover any amount payable to DFS or us. If you fail to report Gross Revenues, we may debit your account for 120% of the last Royalty and Brand Fund contribution that was debited from client payments to DFS. If the amounts that we debit from your account are less than the amounts you owe us (once we have determined the actual amounts), we will debit your account for the balance, plus interest, on the day we specify. If the amounts that we debit from your account are greater than the amounts you owe us (once we have determined the actual amounts), DFS will credit the excess (without interest) against the amounts that would otherwise be debited from your account during the following period. We may periodically change the mechanism for your payments of fees and other amounts you owe to us and our affiliates under the Franchise Agreement or any related agreement upon written notice to you.

In addition to any sales, use and other transaction taxes that applicable law requires or permits us to collect from you for providing goods or services under the Franchise Agreement, you must pay us all federal, state, local or foreign (a) sales, use, excise, privilege, occupation or any other transactional taxes, and (b) other taxes or similar exactions, no matter how designated, that are imposed on us or that we are required to withhold relating to the receipt or accrual of Royalties or any other amounts you pay us under the Franchise Agreement, excluding only taxes imposed on us for the privilege of conducting business and calculated based on our net income, capital, net worth, Gross Revenues, or some other basis or combination of those factors, but not excluding any Gross Revenues taxes imposed on us or our affiliates for your payments intended to reimburse us or our affiliates for expenditures incurred for your benefit and on your behalf. You must make these additional required payments in an amount necessary to provide us with after-tax receipts (taking into account any additional required payments) equal to the same amounts that we would have received if the additional tax liability or withholding had not been imposed or required.

- (2) **“Gross Revenues”** means the total amount that is invoiced to and paid by clients of your Decimal Business and includes implied or imputed proceeds from any business interruption insurance.

You must satisfy the following minimum performance requirements (**“Performance Requirements”**) during the Franchise Agreement’s term:

| Number of Months in Operation | Recurring Monthly Gross Revenues |
|-------------------------------|----------------------------------|
| 1 – 17                        | Not Applicable                   |
| 18 – 24                       | \$15,000                         |
| 25 – 36                       | \$20,000                         |
| 37 – 48                       | \$30,000                         |

| Number of Months in Operation | Recurring Monthly Gross Revenues |
|-------------------------------|----------------------------------|
| 49 – 60                       | \$36,000                         |
| 61 – end of Term              | \$45,000                         |

In addition, beginning in the 37th month after you commence operations, and for the remainder of the Franchise Agreement’s term, at least 40% of your Decimal Business’s Gross Revenues must be derived from clients located within your Territory. Your failure to satisfy Performance Requirements or derive the minimum amount of Gross Revenues from clients in the Territory may result in us reducing the size of your Territory, eliminating all or part of your territorial rights, requiring you to attend additional training and/or increasing Local Marketing expenditures, or terminating the Franchise Agreement.

- (3) **“Local Marketing”** means the approved advertising, marketing, promotional, customer relationship management, public relations and other brand-related programs and materials that you or your agents or representatives develop or implement relating to the Franchise. At the end of each year of the term of the Franchise Agreement, you will be required to certify to us that you spent the required amount on Local Marketing during the previous year. We reserve the right to require you to make an additional Brand Fund Contribution in the amount you do not spend on Local Marketing during any calendar year.
- (4) We may designate a geographic area in which 2 or more Decimal Businesses are located as an area for an advertising or marketing cooperative (a **“Cooperative”**). The Cooperative’s members in any area are the owners of all of the Decimal Businesses located and operating in that area (including us and our affiliates, if applicable) that we can require to participate in the Cooperative. If we have established a Cooperative for the geographic area in which the Franchise is located when you sign the Franchise Agreement, or if we establish a Cooperative in that area during the Franchise Agreement’s term, you must sign the documents that we require to become a member of the Cooperative and participate in the Cooperative as those documents require. You must contribute to the Cooperative the amounts that the Cooperative determines. All material decisions of the Cooperative, including contribution levels (which also require our approval), will require the affirmative vote of more than 50% of all Decimal Businesses participating in the Cooperative (including, if applicable, those that we or our affiliate operate), with each Decimal Business receiving one vote.
- (5) DSP Fees currently include: a software suite (which permits your users’ with access to our technology suite of software applications, which currently include an accounting and financial management application, a sales and customer relationship management application, a human resources and security application, and a communication and collaboration application, as described in the Operations Manual), staff recruitment and training, hardware acquisition, delivery support payroll, billing and collections

administration, and Queues support, which includes bookkeeping and month-end close services.

The “**Queues Support Fees**” are payable by you to DFS and assessed per client entity on a monthly basis for core accounting services and add-on deliverables provided by DFS. The Queues Support Fees vary depending on several factors, including the volume, complexity, and service level expectations associated with each client. As of the date of this disclosure document, the standard Queues Support Fees range from \$55 to \$2,000 per client entity per month, but could be higher in certain rare circumstances involving complex services outside of the typical scope of services provided by DFS and/or for clients that require a high volume of services (however, the fees will not be higher than a 100% increase over the then-current high-end of the standard fee range).

DSP Fees (including the Queues Support Fees) may be increased upon 30 days’ notice to the network of franchisees and we reserve the right to modify, change, and eliminate services covered by DSP Fees. We may increase any or all of these fees by up to 100% annually.

- (6) We will provide certain administrative services to the Franchise System, including additional training, management of third-party service providers, technology monitoring and upgrades, and live question and answer sessions to promote compliance with the Franchise System’s standards.

#### Item 7

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

| <b>Column 1<br/>Type of Expenditure<br/>(1)</b> | <b>Column 2<br/>Amount</b> | <b>Column 3<br/>Method of<br/>Payment</b> | <b>Column 4<br/>When Due</b>              | <b>Column 5<br/>To Whom<br/>Payment is to be<br/>Made</b> |
|-------------------------------------------------|----------------------------|-------------------------------------------|-------------------------------------------|-----------------------------------------------------------|
| Initial Franchise Fee<br>(2)                    | \$30,000                   | Lump sum                                  | Upon signing Franchise Agreement          | Us                                                        |
| Training Expenses (3)                           | \$200 to \$300             | As incurred                               | Before opening                            | Suppliers                                                 |
| Client Account Purchases (4)                    | \$0 to \$1,050,000         | As incurred                               | Upon signing Client Acquisition Agreement | DTI                                                       |
| Leasehold Improvements and Deposits (5)         | \$0 - \$1,500              | As incurred                               | Before opening                            | Contractors and vendors                                   |
| Furniture, Fixtures and Equipment (6)           | \$0 - \$1,000              | As incurred                               | Before opening                            | Suppliers                                                 |
| Office Rent and Utilities (1 Month) (7)         | \$0 to \$2,000             | As arranged                               | As landlord requires                      | Lessor                                                    |

| <b>Column 1</b><br><b>Type of Expenditure</b><br><b>(1)</b>               | <b>Column 2</b><br><b>Amount</b>                                            | <b>Column 3</b><br><b>Method of</b><br><b>Payment</b> | <b>Column 4</b><br><b>When Due</b>                  | <b>Column 5</b><br><b>To Whom</b><br><b>Payment is to be</b><br><b>Made</b> |
|---------------------------------------------------------------------------|-----------------------------------------------------------------------------|-------------------------------------------------------|-----------------------------------------------------|-----------------------------------------------------------------------------|
| Office Equipment, Computer Hardware, Telephone, Internet & Systems Access | \$2,600 to \$6,500                                                          | As arranged                                           | Upon signing Franchise Agreement and before opening | Us and vendors                                                              |
| Initial Launch Marketing (8)                                              | \$3,000                                                                     | As incurred                                           | Before opening                                      | Vendors                                                                     |
| Insurance (9)                                                             | \$500 to \$1,500                                                            | As incurred                                           | Before opening                                      | Insurers                                                                    |
| Additional Funds (3 Months) (10)                                          | <del>\$10,000</del> <u>23,750</u> to <del>\$15,000</del> <u>38,750</u>      | As incurred                                           | As incurred                                         | Government authorities, utilities, third parties, and payroll reserves      |
| <b>TOTAL ESTIMATED INITIAL INVESTMENT (11)</b>                            | <del>\$46,300</del> <u>60,050</u> - <del>\$1,110,800</del> <u>1,134,550</u> |                                                       |                                                     |                                                                             |

Notes:

- (1) The amounts provided in the table above reflect costs you will incur to establish a Decimal Business under the Franchise Agreement. Except for any security deposit made in connection with an office lease (which is optional), all fees and payments are non-refundable.
- (2) We describe the initial franchise fee in Item 5. If you are acquiring rights to establish an additional Franchise, the initial franchise fee is reduced to 65% for each additional Franchise.
- (3) The training expenses include group meals delivered through a delivery service. We recommend that your personnel who attend the virtual initial training program order food and eat meals together as if they were in person.
- (4) You will pay DTI to acquire client accounts if you exercise the Franchisee Purchase Option described in Item 1. In some cases, DTI will offer to finance part of the purchase price for client accounts it sells to you. You then will sign the Promissory Note evidencing your obligation to repay the principal loan amount, which we expect to range from \$10,000 to \$1,000,000 (or from about 20% to 95% of the total purchase price), together with interest at a variable rate of 1% plus the rate of interest per annum published periodically by the Wall Street Journal. You will repay the loan in monthly installments over a period to which DTI and you agree, which typically is from 1 to 5 years.

- (5) You may operate the Franchise from your residence. If you choose to do so, we assume you will not incur any costs for leasehold improvements. If you elect to lease office space, our estimate assumes minimum leasehold improvements. Amounts you incur in connection with an office lease will likely vary depending primarily on the size and location of the site, and whether you must or elect to make improvements. Some landlords may agree to pay some or all costs of improvements in a tenant improvement allowance that will be recouped during the lease term through the payment of rent.
- (6) The costs for furniture, fixtures and equipment will vary based on square footage, condition of the site, location, market conditions, financing costs, and other physical characteristics. If you operate the Franchise from your residence, we assume you will not incur these costs.
- (7) Rent amounts can vary depending upon the area in which the site is located, its size, the condition of the premises, the landlord's contribution to your leasehold improvements and other factors. We base the low estimate on you operating the Franchise from your residence, and accordingly not incurring any rental or utility expenditures, and the high estimate on renting 350 to 750 square feet for a Decimal Business in commercial office space. You will likely also be required to pay the landlord a first and last months' rent deposit and possibly a security deposit if you sign an office lease. Real estate costs depend on location, size, visibility, economic conditions, accessibility, competitive market conditions, and the type of leasehold interest you are acquiring. Because of the numerous variables that affect the value of a particular parcel of real estate, this initial investment table does not reflect the potential purchase cost of real estate or the costs of constructing a building suitable for the Franchise.
- (8) The launch marketing program is the minimum amount you must spend to promote the opening of your Franchise. You must submit the proposed marketing program for our review before opening the Franchise. You must provide evidence to us of your approved launch marketing expenditures upon our request.
- (9) This is an estimate of your initial insurance premium for one month. In some circumstances, you may need to pay the entire annual premium up-front in a lump sum. You must acquire and maintain insurance of the types in at least the amounts we require. These estimates are based on rates provided by our current preferred insurance broker. We do not require you to use this broker. If you choose to obtain insurance through a different broker, these rates may change. This estimate does not include per-employee workers' compensation insurance. Workers' compensation insurance is a pay-as-you-go per-employee cost.
- (10) This amount estimates the additional funds needed to cover initial operating expenses for the Franchise, including management salaries and payroll reserves for a period of 3 months of operation for 1 delivery support individual (other than the items identified separately in the table). You should expect to hire at least 1 Accounting Manager, whose wages during the first 3 months of operation typically range from approximately \$13,750 to \$23,750. Accounting Managers generally pair one-to-one with a delivery support team member and a single delivery support team member typically is able to

support approximately 10 to 30 clients, depending on the scope and volume of client services.

- (11) We relied on our DTI's experience in developing and operating the first Decimal® business to prepare the estimate for additional funds and other estimates in this Item. You should review these figures carefully with a business advisor before deciding to acquire the Franchise. The estimate does not include any finance charge, interest, or debt service obligation. Other than described above in Note 3, we do not offer financing for any part of the initial investment. The availability and terms of financing depend on many factors, including the availability of financing generally, your creditworthiness and collateral and the lending policies of financial institutions from which you request a loan.

### Item 8

## **RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES**

### System Standards

To maintain a uniform image and quality of products and services throughout Decimal Businesses, you must operate and maintain the Franchise according to our System Standards. System Standards may regulate, among other things, the brands, types, and models of Operating Assets and other products and services you use to operate the Franchise; required or authorized products and services or product and service categories; and designated or approved suppliers of these items, which might include or be limited to us and our affiliates, including DFS.

We issue and modify our System Standards based on our, our affiliates' and our franchisees' experience in franchising and/or operating Decimal Businesses. We will notify you in our Operations Manual or in other written communications of our System Standards and names of designated and approved suppliers. We also provide our relevant standards and specifications to approved suppliers. We estimate that the purchases and leases that you must make from us or our affiliates, from approved suppliers, or according to our System Standards represent approximately 90% of your total purchases and leases in establishing, and approximately 90% of your total purchases and leases in operating, the Franchise.

### Suppliers

You must purchase or lease all Operating Assets and other products and services for the Franchise according to the System Standards, and if we require, only from suppliers or distributors that we designate or approve, which may include or be limited to us or our affiliates, including DFS. When determining whether to source-restrict a particular item or service that you must acquire, we take into account a variety of factors, including pricing, the quality and accessibility of products and/or services and the importance of uniform quality of products and services throughout Decimal Businesses. Currently, DFS is the only approved provider of computer hardware and software, recruitment services, staff training services, delivery support payroll services, billing and collections services, bookkeeping, and month-end close services clients of

Decimal Businesses. All of our officers own an interest in DFS. Other than DFS, none of our officers own an interest in any current supplier to Decimal Business franchisees.

In addition, we designate suppliers for email and may designate us and/or our affiliates as approved suppliers or the only approved supplier for additional products and services. We or our affiliates may derive revenue based on your purchases and leases, including from charging you for products and services that we or our affiliates provide to you and from promotional allowances, volume discounts and other payments made to us by suppliers and/or distributors that we designate or approve for some or all of our franchisees. We and our affiliates may use all amounts received from suppliers and/or distributors, whether or not based on your or other franchisees' actual or prospective dealings with them, without restriction for any purposes we or our affiliates deem appropriate. You can find the names of designated and approved suppliers, which we may periodically modify, in the Operations Manual or other written communications from us.

~~Because no Decimal Business franchises were operational during 2024, we and our affiliates did not receive any revenue from selling products or services to Decimal Business franchisees during 2024.~~

In the fiscal year ending December 31, 2025, we did not receive any revenue from franchisee purchases but our affiliate, DFS, derived revenue of approximately \$9,647 from franchisee purchases or leases.

Except as described in this Item 8, there currently are no other goods, services, supplies, fixtures, equipment, inventory, computer hardware or software, real estate, or comparable items related to establishing or operating a Decimal Business that you must purchase from us or designated or approved suppliers.

If you want to use any Operating Assets or other products or services for or in connection with the Decimal Business that we have not yet evaluated, or purchase or lease any Operating Assets or other products or services from a supplier or distributor that we have not yet approved (for Operating Assets or other products and services that we require you to purchase only from designated or approved suppliers or distributors), you first must submit sufficient information, specifications and samples for us to determine whether the product or service complies with our standards and specifications and/or the supplier or distributor meets our criteria. We may condition our approval of a supplier or distributor on requirements relating to product quality, prices, production capacity, quality assurance systems, reputation, consistency, warranty, reliability, financial capability, labor relations, customer relations, frequency of delivery, concentration of purchases, standards of service (including prompt attention to complaints) and/or other criteria. We may inspect the proposed supplier's or distributor's facilities and require the proposed supplier or distributor to deliver products, services or other samples, at our option, either directly to us or to any third party that we designate for testing. For each supplier, distributor, or product you submit for our review, you must pay us an amount equal to the reasonable cost of the inspection and our actual cost of testing the proposed product or evaluating the proposed service or service provider, including personnel and travel costs, whether or not the item, service, supplier or service provider is approved. We will use commercially reasonable efforts to notify you of our approval or disapproval within 30 business days after receiving all information we require. We may periodically re-inspect the facilities, products and services of any approved supplier or distributor

and, upon notice to franchisees and/or the supplier, revoke our approval of any supplier, distributor, product or service that does not continue to meet our criteria. Despite these rights, we may limit the number of approved suppliers with whom you may deal, designate sources that you must use, and/or refuse any of your requests for any reason, including if we have already designated an exclusive source (which might be us or our affiliate) for the applicable product or service or if we believe that doing so is in the best interests of the Decimal Business network. The Operations Manual may provide additional detail on the manner in which we grant and revoke approval of suppliers.

~~Because no Decimal Business franchises were operational during 2024, neither~~Neither we nor our affiliates received any payments or other consideration from suppliers during ~~2024~~2025 based on franchisees' purchases from those suppliers. We or our affiliates may, and intend to, receive revenues or profits or other material consideration from the purchases you make from us, our affiliates, or from other approved suppliers. We or our affiliates may retain any rebates or other payments we receive from suppliers without restriction.

We will not provide material benefits, like renewal or granting additional franchises, to franchisees based on their purchase of particular products or services or use of particular suppliers. We negotiate purchase arrangements with some suppliers, including price terms. In doing so, we seek to promote the overall interests of our franchise network and our interests as franchisor. There are no formal purchasing or distribution cooperatives in the Decimal Business franchise network.

#### Insurance

You must maintain in force at your sole expense the insurance coverage for the Franchise in the amounts, covering the risks, provided by the insurance carriers, and containing only the exceptions and exclusions that we periodically specify for the Franchise System. All of your insurance carriers must be rated A or higher by A. M. Best and Company, Inc. or using similar criteria as we periodically specify. In addition, we may periodically specify insurance carriers from which you must obtain and maintain the then-current required insurance coverage. We may, upon at least 60 days' notice to you, periodically increase the amounts of coverage required and/or require different or additional insurance coverage at any time. Currently, we require you to obtain and maintain general liability, professional liability and workers' compensation insurance but we do not currently specify any minimum amounts of coverage.

#### Item 9

### **FRANCHISEE'S OBLIGATIONS**

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

|    | <b>Obligations</b>                                      | <b>Section in agreement</b>                                                                                                                      | <b>Disclosure document item</b> |
|----|---------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|
| a. | Site selection and acquisition/lease                    | 2.A., 2.B. and 2.G. of Franchise Agreement                                                                                                       | 7, 8, 11 and 12                 |
| b. | Pre-opening purchases/leases                            | 2.B., 2.D., 2.E. and 6 of Franchise Agreement; Client Acquisition Agreement                                                                      | 7, 8 and 11                     |
| c. | Site development and other pre-opening requirements     | 2 of Franchise Agreement                                                                                                                         | 7, 8 and 11                     |
| d. | Initial and ongoing training                            | 4 of Franchise Agreement                                                                                                                         | 5, 6, 7 and 11                  |
| e. | Opening                                                 | 2.F. of Franchise Agreement                                                                                                                      | 11                              |
| f. | Fees                                                    | 5, 6.F., 7.B., 9, 13.C., 13.D., 14.B., 16.A., 17.D. and 18.C. of Franchise Agreement; 2.03 of Client Acquisition Agreement; 1 of Promissory Note | 5, 6, 7, 8 and 11               |
| g. | Compliance with standards and policies/Operating Manual | 4.D., 4.E., 6, 7.A., 7.C. and 10.A. of Franchise Agreement                                                                                       | 6, 8 and 11                     |
| h. | Trademarks and proprietary information                  | 10 and 11 of Franchise Agreement                                                                                                                 | 13 and 14                       |
| i. | Restrictions on products/services offered               | 6.B., 6.C. and 6.G. of Franchise Agreement                                                                                                       | 8, 11 and 16                    |
| j. | Warranty and customer service requirements              | 6.D. of Franchise Agreement                                                                                                                      | 11 and 16                       |
| k. | Territorial development and sales quotas                | 2, 6.H. of Franchise Agreement                                                                                                                   | 8, 11 and 12                    |
| l. | On-going product/service purchases                      | 6 of Franchise Agreement                                                                                                                         | 8, 11 and 16                    |
| m. | Maintenance, appearance and remodeling requirements     | 6.A. and 6.G. of Franchise Agreement                                                                                                             | 8 and 11                        |
| n. | Insurance                                               | 6.F. of Franchise Agreement                                                                                                                      | 6, 7 and 8                      |
| o. | Advertising                                             | 7 of Franchise Agreement                                                                                                                         | 6, 7, 8 and 11                  |
| p. | Indemnification                                         | 10.E. and 17.D. of Franchise Agreement; 7 of Client Acquisition Agreement                                                                        | 6                               |
| q. | Owner's participation and management                    | 1.C., 1.D. and 4 of Franchise Agreement                                                                                                          | 11 and 15                       |

|    | <b>Obligations</b>           | <b>Section in agreement</b>                                                                        | <b>Disclosure document item</b> |
|----|------------------------------|----------------------------------------------------------------------------------------------------|---------------------------------|
| r. | Records and reports          | 8 of Franchise Agreement; 2.03 of Client Acquisition Agreement                                     | 6 and 11                        |
| s. | Inspections and audits       | 2.D, 2.F., 6.C, 8, and 9 of Franchise Agreement; 2.03 of Client Acquisition Agreement              | 6                               |
| t. | Transfer                     | 13 of Franchise Agreement; 8.06 of Client Acquisition Agreement; 11 of Promissory Note             | 6 and 17                        |
| u. | Renewal                      | 14 of Franchise Agreement; 10 of Promissory Note                                                   | 6 and 17                        |
| v. | Post-termination obligations | 16 of Franchise Agreement                                                                          | 6 and 17                        |
| w. | Non-competition covenants    | 12 and 16.D. of Franchise Agreement                                                                | 17                              |
| x. | Dispute resolution           | 18 of Franchise Agreement; 8.11, 8.12, 8.13 of Client Acquisition Agreement; 12 of Promissory Note | 17                              |

### Item 10

## **FINANCING**

If the Franchisee Purchase Option described in Item 1 is available to you, you choose to exercise it, and you are unable to finance the entire purchase price of the client accounts that you elect to purchase under the Client Acquisition Agreement, then our parent company, DTI, may (at its option) offer to finance the shortfall. We expect the principal amount that you will finance from DTI to range from \$10,000 to \$1,000,000 (or from about 20% to 95% of the total purchase price).

Under this financing arrangement, you and DTI will sign the Client Acquisition Agreement and the Promissory Note. If you are a business entity, each of your owners must sign the Personal Guaranty to guarantee the debt. You will pay amounts owed under the Promissory Note in monthly installments over a period to which you and DTI agree, which typically is from 1 to 5 years (Promissory Note – Section 1). The interest rate will be a variable rate equal to 1% plus the prime rate of interest per annum published periodically by the Wall Street Journal (Promissory Note – Section 1). You may prepay amounts due under the Promissory Note without penalty (Promissory Note – Section 4).

Under the Promissory Note, you must grant DTI a security interest in all of the client accounts you acquire under the Client Acquisition Agreement (Promissory Note – Section 2). If you default under the Promissory Note, DTI may, at its option, immediately take back possession

of the client accounts and exercise its other rights and remedies under the Uniform Commercial Code and other applicable law (Promissory Note – Section 2).

If: (a) you fail to pay any amounts owed under the Promissory Note or to comply with your obligations under the Promissory Note, Client Acquisition Agreement or related agreements; (b) the Franchise Agreement expires or is terminated; (c) you are involved in any bankruptcy-related events; or (d) you sell or transfer all or any material part of your property or assets (except in the usual and ordinary course of the operation of your business) or there is a change in the character or suspension of any significant part of your business, then DTI may, at its option, declare the full amount of the Promissory Note immediately due and payable (Promissory Note – Section 3(b)). DTI may collect court costs, attorneys' fees and all other costs of collection (Promissory Note – Section 3(b)). We also may then terminate the Franchise Agreement.

Under the Promissory Note, you and any guarantor of the Promissory Note must waive presentment; demand; notice; protest; and all other notices that the Promissory Note or related agreements do not specifically require (Promissory Note – Section 5). Under the Personal Guaranty, the guarantors waive acceptance; notice of acceptance; protest and notice of default; any right to require that an action be brought against you or any other person; any law or statute that requires us to make demand upon, assert claims against, or collect from you or any others, foreclose any security interest, sell collateral, exhaust any remedies, or take any other action against you or any others prior to take any action against the guarantors; reimbursement and subrogation rights; and legal and equitable defenses. Under the Promissory Note, you also waive any right to a jury trial and special, exemplary, punitive, consequential and any other damages except for actual damages (Promissory Note – Section 15).

Neither we nor any of our affiliates currently receive payments or other consideration from third party lenders for the placement of financing. While there is no current program under which DTI will sell or assign its rights under the Promissory Note or Personal Guaranty to a third party, DTI may do so in the future. If it does, you may lose certain defenses.

Except as disclosed above, we do not offer direct or indirect financing. We do not guarantee your note, lease or obligation, and we do not receive any consideration for placing financing with any lender.

#### Item 11

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

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

Under the Franchise Agreement, before you open the Franchise, we or our affiliate will:

(1) Sell or offer to sell you client accounts owned by DTI if you exercise the Franchisee Purchase Option (Client Acquisition Agreement). DTI also might finance some or all of the purchase price (Promissory Note).

(2) Approve a site that meets our requirements. The site selection process is described in Item 12 below. We will not unreasonably withhold our approval of a site that meets our then current criteria. The site may be an owner's residence. If a proposed site is a commercial space, we may consider demographic characteristics; traffic patterns; parking; character of the neighborhood; competition from, proximity to, and nature of other businesses in the area; other commercial characteristics; the proposed site's size, appearance, and other physical characteristics; and any other factors that we deem appropriate in deciding whether to approve a site. We may also consider the proposed site's proximity both to the site selection area's boundaries and to other existing or potential sites for Decimal Businesses located within or outside the site selection area. We will use reasonable efforts to review and either approve or reject a site that you propose within 15 days after receiving the complete site report. We have the right to terminate the Franchise Agreement, and you must forfeit your initial franchise fee, if you do not sign a lease within 30 days after we approve the site or you fail to open the Decimal Business within 90 days after the Franchise Agreement's effective date. (Franchise Agreement – Section 2.A.)

(3) If you lease office space, we will approve a letter of intent and lease that meets our requirements. You must obtain our prior written approval of the letter of intent and the terms of any lease or sublease for the site before you sign it. You must give us a copy of the fully signed lease after you and the landlord have signed it. You may not sign any renewal or amendment of the lease that we have not accepted. (Franchise Agreement – Section 2.B.)

(4) Provide you mandatory and suggested written specifications and layouts for a Decimal Business, which might include recommendations and/or requirements for dimensions, design, image, interior layout (including equipment placement), décor, Operating Assets, and color scheme. The Franchise must contain all of the Operating Assets, and only the Operating Assets, that we periodically specify. We do not provide any Operating Assets or other items for the Franchise's development directly or deliver or install items. We will provide the names of approved suppliers and/or specifications for some items.

You must prepare all required construction plans and specifications to suit the site and make sure they comply with the Americans with Disabilities Act (the “**ADA**”) and similar rules governing public accommodations for persons with disabilities, other applicable ordinances, building codes, permit requirements, and lease requirements and restrictions. If you construct improvements to the site, you must submit construction plans and specifications to us for approval before you begin work and all revised or “as built” plans and specifications during construction. Our review is limited to ensuring your compliance with our design requirements and the Franchise Agreement's other requirements. Our review is not designed to assess compliance with federal, state, or local laws and regulations, including the ADA, as compliance with those laws and regulations is your responsibility. You must remedy, at your expense, any noncompliance or alleged noncompliance with those laws and regulations. (Franchise Agreement – Section 2.D.)

(5) Train you and your personnel to operate a Decimal Business. We describe this training later in this Item 11. (Franchise Agreement – Sections 4.A. to 4.C.)

(6) Provide you access to our Operations Manual for use in operating the Franchise during the Franchise Agreement's term. Our Operations Manual has a total of 203 pages as of the date of this disclosure document and its table of contents appears in Exhibit D.

Any materials, guidance or assistance that we provide concerning the terms and conditions of employment for your employees, employee hiring, firing and discipline, and similar employment-related policies or procedures, whether in the Operations Manual or otherwise, are solely for your optional use. Those materials, guidance and assistance do not form part of the mandatory System Standards. You will determine to what extent, if any, these materials, guidance or assistance should apply to the Franchise's employees. You are solely responsible for determining the terms and conditions of employment for all Franchise employees, for all decisions concerning the hiring, firing and discipline of Franchise employees, and for all other aspects of the Franchise's labor relations and employment practices. (Franchise Agreement – Sections 4.E. and 6.G.)

(7) Assist with the development of your launch marketing program. We describe our marketing programs and assistance below in this Item 11. (Franchise Agreement – Section 7.A.)

Under the Franchise Agreement, during your operation of the Franchise, we will:

(1) Advise you periodically regarding the Franchise's operation based on your reports or our evaluations. We will guide you on standards, specifications, operating procedures and methods that Decimal Businesses use, including establishing prices; purchasing required or recommended Operating Assets and other products; and administrative, bookkeeping and accounting procedures. We will guide you in our Operations Manual, in bulletins or other written materials, by electronic media, by telephone consultation, and/or in person during conventions or meetings. If you request and we agree to provide additional or special guidance, assistance or training, you must pay our then applicable charges, including per diem charges and any travel and living expenses incurred by our staff. Any specific ongoing training, conventions, advice or assistance that we provide does not create an obligation to continue providing that specific training, convention, advice or assistance, all of which we may discontinue and modify at any time. (Franchise Agreement – Section 4.D. and 4.E.)

(2) Provide updates to the Operations Manual and System Standards as we implement them. Our periodic modification of our System Standards (including to accommodate changes to the Computer System and the Marks), which may accommodate regional and/or local variations, may obligate you to invest additional capital in the Franchise and incur higher operating costs, and you must comply with those obligations within the time we specify. Although we retain the right to establish and periodically modify the Franchise System and System Standards that you have agreed to follow, you retain the exclusive responsibility for the day-to-day management and operation of the Franchise and implementing and maintaining System Standards at the Franchise. We may vary the Franchise System and/or System Standards for any Decimal Business or group of Decimal Businesses based on the peculiarities of any conditions or factors that we consider important to its operations. You have no right to require us to grant you a similar variation or accommodation. (Franchise Agreement – Sections 4.E., 6.G. and 6.I.)

(3) Maintain and administer the Brand Fund and the System Website. (Franchise Agreement – Section 7) We describe the Brand Fund and System Website below.

## **Opening**

We estimate that the time between your signing the Franchise Agreement and the opening date is less than 90 days. The precise amount of time needed will depend on the time it takes you to locate a site and the condition of the premises, if you are leasing office space; the work needed to develop the Franchise according to our System Standards; completing training; obtaining financing, if you require it; obtaining insurance; and complying with local laws and regulations. We have the right to terminate the Franchise Agreement, and you must forfeit your initial franchise fee, if you have not commenced operations in accordance with the Franchise Agreement within 90 days of signing the Franchise Agreement.

## **Advertising, Marketing and Promotion**

### **Brand Fund**

We administer and control the Brand Fund for the advertising, marketing, promotional, client relationship management, public relations and other brand-related programs and materials for Decimal Businesses that we periodically deem appropriate. ~~We will start collecting Brand Fund contributions when the first franchised Decimal Business opens. The amount of the Brand Fund contributions will be~~ You must currently contribute 2% of Gross Revenues to the Brand Fund but we may increase the required Brand Fund contribution up to 3% of Gross Revenues upon notice to you and the network of other Decimal Business franchisees. Payments of contributions to the Brand Fund in the amount that we periodically specify ~~will be~~ are processed by DFS after it has collected payments from clients. We anticipate that all franchisees will contribute to the Brand Fund at the same rate. Each Decimal Business that we or our affiliate operates will contribute to the Brand Fund at either the same rate as you or a rate similar to the rate at which other Decimal Business franchisees contribute.

We have the right to designate and direct all programs that the Brand Fund finances, with sole control over the creative and business concepts, materials and endorsements used and their geographic, market and media placement and allocation. The Brand Fund may pay for preparing, producing and placing video, audio and written materials, electronic media and Social Media (defined below); developing, maintaining and administering one or more System Websites, online sales and client retention programs, mobile applications, and other technologies used to reach clients and potential clients; administering national, regional, multi-regional and local marketing, advertising, promotional and client relationship management programs, including purchasing trade journal, direct mail, Internet and other media advertising and using advertising, promotion, and marketing agencies and other advisors to provide assistance; and supporting public and client relations, market research, and other advertising, promotion, marketing and brand-related activities. The Brand Fund may place advertising or other programs in any media, including print, radio, and television, on a local, regional or national basis. Our in-house staff, national or regional advertising agencies, and/or other contractors may produce advertising, marketing, promotional and other Brand Fund programs and materials. The Brand Fund also may reimburse Decimal Business operators (including us and/or our affiliates) for expenditures consistent with the Brand Fund's purposes that we periodically specify. We also may implement programs that the Brand Fund could finance, but choose to finance them through other means, such as through your and other Decimal Business operators' direct payments.

We will account for the Brand Fund separately from our other funds and not use the Brand Fund to pay any of our general operating expenses, except to compensate us and our affiliates for the reasonable salaries, administrative costs, travel expenses, overhead and other costs we and they incur relating to activities performed for the Brand Fund and its programs, including conducting market research, preparing advertising and marketing materials, maintaining and administering the System Website and/or Social Media, developing technologies to be used by the Brand Fund or its programs, collecting and accounting for Brand Fund contributions, and paying taxes on contributions. We will not use any Brand Fund contributions principally to solicit new franchise sales, although part of the System Website is devoted to franchise sales. The Brand Fund is not a trust, and we do not owe you fiduciary obligations because of our maintaining, directing or administering the Brand Fund or any other reason. The Brand Fund may spend in any fiscal year more or less than the total Brand Fund contributions in that year, borrow from us or others (paying reasonable interest) to cover deficits, or invest any surplus for future use. We will use all interest earned on Brand Fund contributions to pay costs before using the Brand Fund's other assets. We may incorporate the Brand Fund or operate it through a separate entity whenever we deem appropriate. The successor entity will have all of the rights and duties specified here.

~~Because the Brand Fund was not established when this disclosure document was issued, we do not have historical information about expenditures. When we establish the Brand Fund, we~~We did not spend any Brand Fund contributions in 2025 because we did not begin collectin  
Brand Fund contributions until December 2025. We will prepare an annual, unaudited statement of Brand Fund expenses and give you the statement upon written request. While we do not intend for the Brand Fund to be audited, we may have the Brand Fund audited periodically at the Brand Fund's expense by an independent auditor we select.

We intend the Brand Fund to maximize recognition of the Marks and client engagement of Decimal Businesses. Although we will try to use the Brand Fund to develop and/or implement advertising and marketing materials and programs and for other uses (consistent with those listed in this Item 11) that will benefit all or certain contributing Decimal Businesses, we need not ensure that Brand Fund expenditures in or affecting any geographic area are proportionate or equivalent to the Brand Fund contributions from Decimal Businesses operating in that geographic area, or that any Decimal Business benefits directly or in proportion to the Brand Fund contributions that it makes. We have no obligation to make any advertising expenditures (from the Brand Fund or otherwise) in your geographic area. We have the right, but no obligation, to use collection agents and institute legal proceedings at the Brand Fund's expense to collect Brand Fund contributions. We also may forgive, waive, settle and compromise all claims by or against the Brand Fund. Except as expressly provided in the Franchise Agreement, we assume no direct or indirect liability or obligation to you for maintaining, directing or administering the Brand Fund.

At any time, we may defer or reduce contributions to the Brand Fund. Upon at least 30 days' written notice to you, we may reduce or suspend Brand Fund contributions and/or operations for one or more periods of any length and terminate (and, if terminated, reinstate) the Brand Fund. If we terminate the Brand Fund, we will (at our option) either spend the remaining Brand Fund assets consistent with the provisions of this Item 11 or distribute the unspent assets to Decimal Business operators (including us and our affiliates, if applicable) then contributing to the Brand Fund in proportion to their contributions during the previous 12-month period. There currently are

no advertising councils of franchisees that advise us on advertising policies in the Decimal Business network.

### Local Marketing Spend

You must at your expense participate in the manner we periodically specify in all advertising, marketing, promotional, client relationship management, public relations and other brand-related programs that we periodically designate for the Franchise. You must ensure that all Local Marketing is completely clear, factual and not misleading, complies with all applicable laws and regulations, and conforms to the highest ethical standards and the advertising and marketing policies that we periodically specify. Before using them, you must send to us, for our approval, descriptions and samples of all proposed Local Marketing that we have not prepared or previously approved within the previous 6 months. If you do not receive written notice of approval from us within 5 business days after we receive the materials, they are deemed disapproved. You may not conduct or use any Local Marketing that we have not approved or have disapproved. At our option, you must contract with one or more suppliers that we designate or approve to develop and/or implement Local Marketing. Currently, each year you must spend at least \$12,000 on Local Marketing. At the end of each calendar year, you must certify to us that you have complied with the Local Marketing Spend requirement. If you do not do so, you may be required to contribute any shortfall to the Brand Fund. We reserve the right to increase Local Marketing obligations by up to 10% each year during the term of your Franchise Agreement.

Our System Standards may regulate sales, marketing, advertising, promotions and public relations programs and materials for the Franchise and media uses in these programs, including participation in and compliance with the requirements of any special advertising, marketing, promotion, charitable and public relations programs in which all or certain Decimal Businesses participate. This includes standards for participating in charitable and public relations programs, as we periodically modify them. (Franchise Agreement – Sections 6.G., 7.C. and 7.D.)

### Launch Marketing

You must develop a launch marketing program for the Franchise. At least 10 days before the planned opening of the Franchise, you must prepare and submit to us for our approval, a proposed launch marketing program, which must span from before the opening of the Franchise until a date after the opening that we specify. During the course of the grand opening marketing program, you must spend at least \$3,000. At our option, you must provide evidence to us of your approved program expenditures. (Franchise Agreement – Sections 7.A)

### Advertising Cooperatives

Currently, there are no cooperatives in the Decimal Business network. However, we reserve the right to designate geographic areas in which two 2 or more Decimal Businesses are located as an area for a cooperative. The cooperative's members in any area are the owners of all of the Decimal Businesses located and operating in that area (including our affiliates, if applicable) that we have the right to require to participate. Each member will contribute at the same rate. Each cooperative will be organized and governed in a form and manner, and begin operating on a date, that we determine. Each cooperative will, with our approval, develop, administer or implement

advertising, marketing and promotional materials and programs for the area that the cooperative covers. If we have established a cooperative for the geographic area in which the Franchise is located on the date you sign the Franchise Agreement, or if we establish a cooperative in that area during the Franchise Agreement's term, you must sign the documents that we require to become a member of the cooperative and to participate in the cooperative as those documents require. Cooperatives will operate from written governing documents that members may review. You must contribute to the cooperative the amounts that the cooperative determines.

All material decisions of the cooperative, including contribution levels (which also require our approval), will require the affirmative vote of more than 50% of all Decimal Businesses that are required to participate in the cooperative, with each Decimal Business receiving one vote. You must send us any reports that we or the cooperative periodically require. Cooperatives will prepare annual or periodic financial statements and make them available for us and the cooperative's members to review. The cooperative will operate solely to collect and spend cooperative contributions for the purposes described above. The cooperative and its members may not use any advertising, marketing or promotional programs or materials that we have not approved. We may form, change, dissolve and merge cooperatives. (Franchise Agreement – Section 7.D.).

### System Website

We or our designees ~~may establish~~have established a website or series of websites or similar technologies, including mobile applications and other technological advances that perform functions similar to those performed on traditional websites, for the Decimal Business network to advertise, market and promote Decimal Businesses, the products and services they offer, and the Decimal Business franchise opportunity; to facilitate the operations of Decimal Business; and/or for any other purposes that we determine are appropriate for Decimal Business (those websites, applications and other technological advances are collectively called the “**System Website**”). If we include information about the Franchise on the System Website, then you must give us the information and materials that we periodically request concerning the Franchise and participate in the System Website in the manner that we periodically specify. We have the final decision concerning all information and functionality that appears on the System Website and will update or modify the System Website according to a schedule that we determine. By posting or submitting to us information or materials for the System Website, you are representing to us that the information and materials are accurate and not misleading and do not infringe any third party's rights. You must notify us whenever any information about you or the Franchise on the System Website changes or is not accurate.

We or our affiliate own all intellectual property and other rights in the System Website and all information it contains, including the domain name or URL for the System Website and all subsidiary websites, the log of “hits” by visitors, and any personal or business data that visitors (including you, your personnel and your customers) supply. We may use the Brand Fund's assets to develop, maintain, support and update the System Website. We may implement and periodically modify System Standards relating to the System Website and, at our option, may discontinue all or any part of the System Website, or any services offered through the System Website, at any time.

All Local Marketing that you develop for the Franchise must contain notices of the System Website in the manner that we periodically designate. You may not develop, maintain or authorize

any other website, other online presence or other electronic medium (such as mobile applications, kiosks and other interactive properties or technology-based programs) that mentions or describes you, the Franchise or its products or services or that displays any of the Marks. Except for the System Website (if applicable), you may not conduct commerce or offer or sell any products or services using any website, another electronic means or medium, or otherwise over the Internet or using any other technology-based program without our approval. Nothing in the Franchise Agreement limits our right to maintain websites and technologies other than the System Website or to offer and sell products or services under the Marks from the System Website, another website or technology, or otherwise over the Internet (including to the Franchise's customers and prospective customers) without payment or obligation of any kind to you. (Franchise Agreement – Section 7.E.)

### Social Media

You must comply with our policies and requirements, which we may periodically modify, concerning blogs, common social networks like Facebook, professional networks like LinkedIn, live-blogging tools like X, virtual worlds, file, audio and video sharing sites and applications like Pinterest, Instagram, and TikTok, and other similar social networking or media sites or tools (collectively, “**Social Media**”) that in any way reference the Marks or involve the Franchise. These policies may involve prohibitions on your and your representatives' use of Social Media relating to the Marks or the Franchise. (Franchise Agreement – Section 7.F.)

### Computer System

You must obtain and use the Computer System in operating the Franchise. Currently, a laptop computer loaded with the software and technology we specify is required to operate the Franchise (the “**Computer System**”). We may periodically modify the specifications for and components of, and the technologies and functions for the Computer System. These modifications and other developments may require you to purchase, lease, and license new or modified computer hardware, software, and other components and technologies and to obtain service and support for the Computer System. Nothing limits the frequency or cost of this obligation. You must incur any costs associated in obtaining, updating, adding to, or modifying the Computer System and required service or support, which we currently estimate will be approximately \$500 per employee per year. You must obtain all Computer System components that we designate and ensure that your Computer System functions properly at all times. As of the date of this disclosure document, a single computer loaded with all software, domain email, and access to the technologies required by System Standards costs \$2,000.

We or our affiliates will provide ongoing maintenance, repairs, upgrades or updates to the Computer System in exchange for your payment of DFS Fees. Because of varying system needs and market conditions, we are unable to estimate the cost of other optional maintenance, updating, upgrading or support contracts for the Computer System.

We and our affiliates may condition any license of required or recommended proprietary software to you, and/or your use of technology developed or maintained by or for us (including the System Website), on your signing a software license agreement or similar document, or otherwise agreeing to the terms (for example, by acknowledging your consent to and accepting the terms of a click-through license agreement), that we and our affiliates periodically specify to

regulate your use of, and our (or our affiliate's) and your respective rights and responsibilities concerning, the software or technology. We and our affiliates may charge you up-front and ongoing fees for any required or recommended proprietary software or technology that we or our affiliates license to you in the future and for other Computer System maintenance and support services provided during the term of the Franchise Agreement not otherwise covered by DFS Fees.

We will have independent, unlimited access to all information and data in the Computer System, including continuous independent access to all Client Data (defined in Item 14). Apart from your obligation to buy, use, and maintain the Computer System according to our standards and specifications, and except for our ongoing maintenance and support, you have sole and complete responsibility for: (1) the acquisition, operation, maintenance, and upgrading of the Computer System; (2) the manner in which your Computer System interfaces with our and any third party's computer systems; and (3) any and all consequences if the Computer System is not properly operated, maintained, and upgraded. (Franchise Agreement – Section 2.E.)

### **Marketing Technology Fee**

We will administer the Franchise Agreement, System Standards, and provide access to additional training and question and answer sessions for a monthly Marketing Technology Fee designated by us, which is currently \$250. The Marketing Technology Fee also currently covers one Salesforce license for use in connection with the Decimal Business (Franchise Agreement – Section 5.C.)

### **Training**

The current training program that we provide to new franchisees after signing the Franchise Agreement and before opening the Decimal Business includes our formal Initial Training Program, which is conducted virtually and online for up to 84 hours. ~~Nicole Freeman, our VP of Finance~~[Jacob Cloran, our Chief Technology Officer and Director](#), who has been working in the accounting and bookkeeping industry for ~~10~~[17](#) years, manages and conducts the training program. ~~Nicole~~[Jacob](#) has been with DTI since January ~~2022~~[2020](#) and with us since our inception in May 2025. The Operations Manual and various training guides serve as instructional materials.

#### **Initial Training Program**

The Operating Principal and Accounting Principal (as defined in Item 15) must attend the Initial Training Program and complete the program to our satisfaction at least 1 day before opening the Franchise. The Initial Training Program may include a review and explanation of the Operating Manuals, videos, handouts, and other tutorial information regarding operation of the Franchise. If any of your owners or management team has attended and completed the Initial Training Program to our satisfaction under an existing franchise agreement with us, we will not require them to attend the Initial Training Program.

Up to 2 additional owners of the Franchise may attend the Initial Training Program without paying a training fee. You will be charged a training fee (currently \$750) for each additional trainee. You must pay for all travel, living and other expenses that any of your staff or representatives incur during the Initial Training Program. If we decide that you or your personnel

cannot complete the Initial Training Program to our satisfaction, we may require you or your personnel to attend additional training programs at your expense and for which we may charge reasonable fees.

We conduct the Initial Training Program virtually and online, or at a location we designate. We conduct the Initial Training Program on an as-needed basis and reserve the right to group franchisees together to receive the Initial Training Program.

The following table describes our current Initial Training Program:

### **TRAINING PROGRAM**

| <b>Column 1<br/>Subject</b>   | <b>Column 2<br/>Hours of Classroom<br/>Training</b> | <b>Column 3<br/>Hours of On-The-<br/>Job Training</b> | <b>Column 4<br/>Location</b> |
|-------------------------------|-----------------------------------------------------|-------------------------------------------------------|------------------------------|
| Introduction & Pre-Opening    | Up to 8 hours                                       | Up to 4 hours                                         | Virtual / Online             |
| Marketing & Sales             | Up to 16 hours                                      | Up to 8 hours                                         | Virtual / Online             |
| Service Delivery & Operations | Up to 16 hours                                      | Up to 8 hours                                         | Virtual / Online             |
| Franchise Support             | Up to 16 hours                                      | Up to 8 hours                                         | Virtual / Online             |
| <b>Total</b>                  | <b>Up to 56 hours</b>                               | <b>Up to 28 hours</b>                                 |                              |

### Ongoing Training

During the Franchise Agreement's term, we may require your management team, including your Operating Principal and Accounting Principal, to attend and satisfactorily complete various training courses, programs and evaluations, including virtual and online training, that we choose to provide periodically at the times and locations we designate. Your personnel whom we periodically specify also must attend any conventions or other programs that we periodically specify for some or all Decimal Businesses. We may charge reasonable fees for these training courses, programs, evaluations, and conventions (currently none but we may charge fees up to \$50 per attendee per day (not including travel, lodging, food or other living expenses)). We currently have no planned ongoing or optional training programs, but within 6 months of opening you may be required to travel to Indianapolis, Indiana, to participate in a post-opening operations evaluation and training. There is no fee for this evaluation or training but you will be responsible for all costs incurred in attending, including travel, lodging, and meals. If you request and we agree to provide additional or special guidance, assistance, or training, you must pay us then applicable charges per training session, plus any travel and living expenses for our personnel. Any specific ongoing training, conventions, advice or assistance that we provide does not create an obligation to continue providing that specific training, convention, advice or assistance, all of which we may discontinue and modify at any time. (Franchise Agreement – Section 4.B.)

## Item 12

### **TERRITORY**

#### **Site Selection Area**

If you have not located an approved Site as of the Franchise Agreement's effective date, then within 30 days after the Franchise Agreement's effective date, you must deliver to us for our review a complete site report and other materials and information we request within the non-exclusive "**Site Selection Area**" identified in an Exhibit to the Franchise Agreement. We will use our reasonable efforts to review and either approve or reject a proposed Site within ~~7~~15 days of receiving the complete site report. You will not have any territorial or other rights in the Site Selection Area. We may establish and operate, or grant rights to others to establish and operate, Decimal Businesses within or outside the Site Selection Area.

The Franchise must be located at a site that we have approved, which may be your personal residence. You may relocate the Franchise to a new site within the Territory upon our prior written approval. You will relocate at your expense and must comply with the Franchise Agreement's provisions relating to development of the new location and de-identification of the old location. You must reimburse us for our costs incurred in the relocation.

#### **Territory**

After we approve the Site, we will define your "**Territory**" in an Exhibit to the Franchise Agreement. We typically determine Territories using a map depicting boundaries and/or zip codes. Your Territory will have a minimum population of 100,000. The size of your Territory will depend on various market characteristics such as demographics, boundaries, location of competing businesses, neighborhoods covered, and population density.

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. Although we do not encourage direct marketing outside of our franchisees' respective territories, we do not prohibit it. As a result, we, our affiliates, or other franchisees may provide products and services that are similar or dissimilar to, or competitive with, any products and services that Decimal Businesses provide, whether identified by the Marks or other trademarks or service marks, to clients located within your Territory. However, if you are complying with the Franchise Agreement, neither we nor our affiliates will operate, or authorize any other party to operate, a Decimal Business the physical premises of which are located within your Territory.

You are not prohibited from performing services for clients located outside your Territory or from advertising or promoting your Decimal Business in media, including the Internet, that may extend beyond your Territory; however, we encourage you to solicit and serve clients located within your Territory.

At all times, we and our affiliates have the right to engage in any activities we or they deem appropriate that the Franchise Agreement does not expressly prohibit, whenever and wherever we or they desire. This includes:

(a) establishing and operating, and granting rights to others to establish and operate, on any terms and conditions we deem appropriate, Decimal Business the physical premises of which are at any locations outside the Territory;

(b) establishing and operating, and granting rights to others to establish and operate, on any terms and conditions we deem appropriate, accounting, bookkeeping, tax, consulting, and other advisory businesses, or any similar or dissimilar businesses, that either are not primarily identified by the Marks or do not use the Franchise System at any locations, whether within or outside the Territory;

(c) all rights relating to the Marks, and all products and services associated with any of the Marks, in any methods of distribution, except as specifically set forth above. This includes providing, and granting rights to others to provide (except as specifically set forth above), products and services to customers and other third parties that are similar or dissimilar to, or competitive with, any products and services that Decimal Businesses provide, whether identified by the Marks or other trademarks or service marks, regardless of the method of distribution (including through the System Website, other retail outlets, and shipping and delivery), and at any locations; and

(d) acquiring the assets or ownership interests of, or being acquired (regardless of the form of transaction) by, one or more businesses providing products and services similar or dissimilar to those provided at Decimal Businesses, and franchising, licensing or creating other arrangements with respect to these businesses once acquired, wherever these businesses (or the franchisees or licensees of these businesses) are located or operating, whether within or outside the Territory.

We will determine, and may periodically expand, the geographic area within which your Decimal Business may offer services, but you will not receive any exclusive, protected or other territorial rights in any geographic area outside of your Territory. You must ensure that all clients receive high quality services according to System Standards. We and our affiliates may use other channels of distribution, such as the Internet, telemarketing, and other direct marketing, to solicit clients in your Territory using the Marks and other trademarks without compensating you.

Under the Franchise Agreement, you have no options, rights of first refusal, or similar rights to acquire additional franchises within your Territory or contiguous territories. Upon the occurrence of any event that allows us to terminate your Franchise Agreement, including your failure to comply with the Performance Requirements listed below, in addition to our other rights and remedies, we may reduce or eliminate your rights to all or a portion of your Territory, after which we may operate, and authorize other parties to operate, Decimal Businesses within the Territory. Otherwise, we may not alter your Territory or modify your territorial rights before your Franchise Agreement expires or is terminated, although we may do so for a successor franchise.

#### Performance Requirements

| Number of Months in Operation | Recurring Monthly Gross Revenues |
|-------------------------------|----------------------------------|
| 1 – 17                        | Not Applicable                   |

| Number of Months in Operation | Recurring Monthly Gross Revenues |
|-------------------------------|----------------------------------|
| 18 – 24                       | \$15,000                         |
| 25 – 36                       | \$20,000                         |
| 37 – 48                       | \$30,000                         |
| 49 – 60                       | \$36,000                         |
| 61 – end of Term              | \$45,000                         |

We currently do not operate or franchise any business under a different trademark that sells or will sell goods or services similar to those that our franchisees sell, but we may do so in the future. ~~Our affiliate, KLZ Tax LLC (“KLZ”), currently operates businesses under the “KLZ Tax,” “Decimal,” and “Decimal Technologies Inc.” brands and marks that sell tax filing and tax advisory services similar to certain services that Decimal Businesses offer. KLZ shares our principal business address. KLZ does not maintain offices or training facilities that are physically separate from our offices and training facilities. KLZ’s business may solicit and accept orders from customers near your Decimal Business. Because they are separate companies, we do not expect any conflicts between us and our franchisees and KLZ regarding territory, customers, or support, and we have no obligation to resolve any perceived conflicts that may arise. As of the date of this disclosure document, we anticipate that we will cease being affiliated with KLZ by the end of 2025. Any disputes between you and us related to the Decimal Business will be resolved according to the dispute resolution procedures described in Item 17 of this disclosure document.~~

### Item 13

## **TRADEMARKS**

We grant you the non-exclusive right under the Franchise Agreement to use and display the Marks in operating, marketing, and advertising the Franchise. DTI owns the following principal Mark, which is registered on the Principal Register of the United States Patent and Trademark Office (the “PTO”):

| Mark    | U.S. Registration Number | U.S. Serial Number | Registration Date |
|---------|--------------------------|--------------------|-------------------|
| Decimal | 6759321                  | 90754762           | June 14, 2022     |

[DTI has licensed us the right to use this Mark and to sublicense the use of the Mark to you and other franchisees for the operation of Decimal Businesses under a Trademark License Agreement dated April 28, 2026 \(the “Trademark License Agreement”\). The Trademark License Agreement’s term is perpetual, unless earlier terminated. We or DTI may terminate the Trademark License Agreement on 60 days’ notice. DTI may also terminate the Trademark License Agreement immediately if: \(a\) we materially breach the Trademark License Agreement and fail to cure the breach within 15 days after receiving written notice from DTI; or \(b\) we become insolvent](#)

or are involved in similar bankruptcy-related events. If the Trademark License Agreement terminates, we must stop using and sublicensing the Mark. However, any Decimal Business franchisee that has been authorized to use the Mark in its franchise may continue using the Mark until that franchisee's Franchise Agreement, and any permitted successor Franchise Agreement, expires or is terminated, but only if the franchisee continues to comply with its obligations in the Franchise Agreement and any permitted successor Franchise Agreement during their remaining terms. No other agreement limits our right to use or sublicense the Mark in a manner material to the Franchise.

~~No currently effective agreement significantly limits our rights to use or license the Marks in a manner material to the Franchise.~~ There are no currently effective material determinations of the PTO, the Trademark Trial and Appeal Board, any state trademark administrator, or any court, and no pending infringement, opposition, or cancellation proceedings or material litigation, involving the Marks. We do not know of superior prior rights or infringing uses that could materially affect your use of the Marks. All required affidavits have been filed.

You must follow our rules and System Standards when using the Marks. You must notify us immediately of any actual or apparent infringement of or challenge to your use of any Mark, or of any person's claim of any rights in any Mark. You may not communicate with any person other than us, our attorneys, and your attorneys, regarding any infringement, challenge or claim. We may take any action that we deem appropriate (including no action) and control exclusively any litigation, PTO proceeding or other proceeding relating to any infringement, challenge or claim or otherwise concerning any Mark. You must sign any documents and take any reasonable actions that, in the opinion of our attorneys, are necessary or advisable to protect and maintain our interests in any litigation or PTO or other proceeding or otherwise to protect and maintain our interests in the Marks. At our option, we may defend and control the defense of any litigation or proceeding relating to any Mark.

We will reimburse you for all damages and expenses you incur or for which you are liable in any proceeding challenging your right to use any Mark, but only if your use is consistent with the Franchise Agreement, the Operations Manual and System Standards, and you have timely notified us of, and comply with our directions in responding to, the proceeding.

If we believe at any time that it is advisable for us and/or you to modify or discontinue using any Mark and/or use one or more additional or substitute trademarks or service marks, you must comply with our directions within a reasonable time after receiving notice. We need not reimburse you for your expenses in complying with these directions (such as costs you incur in changing signs or replacing supplies), for any loss of revenue due to any modified or discontinued Mark, or for your expenses of promoting a modified or substitute trademark or service mark.

#### Item 14

### **PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION**

No patents or patent applications are material to the franchise. We claim copyrights in the Operations Manual, advertising, our website and all content and images that appear on our website, training and promotional materials, and similar items used in operating the Franchise.

We have not registered these copyrights with the U.S. Registrar of Copyrights but need not do so at this time to protect them. You may use these materials only as we specify while operating the Decimal Business and must modify or discontinue using them as we direct.

There currently are no effective determinations of the United States Copyright Office or any court regarding any of the copyrighted materials. No agreement limits our right to use or license the copyrighted materials. We do not know of any superior prior rights or infringing uses that could materially affect your using the copyrighted materials. We need not protect or defend copyrights or take any action if notified of infringement, and you have no obligation to notify us of any infringement. We may take the action we deem appropriate (including no action) and exclusively control any proceeding involving the copyrights. No agreement requires us to participate in your defense or indemnify you for damages or expenses in a proceeding involving a copyright or claims arising from your use of copyrighted items.

We will disclose certain Confidential Information to you during the Franchise Agreement's term. "**Confidential Information**" includes development plans and site selection criteria for Decimal Businesses; methods, formats, specifications, standards, systems, procedures, marketing techniques, knowledge and experience used in developing and operating Decimal Businesses, including marketing research and promotional, marketing, advertising, public relations, customer relationship management and other brand-related materials and programs for Decimal Businesses; knowledge of specifications for and suppliers of, and methods of ordering, certain Operating Assets and other products that Decimal Businesses use and/or sell; knowledge of the operating results and financial performance of Decimal Businesses other than the Franchise; training materials and videos; the Computer System; customer communication and retention programs, along with data used or generated in connection with those programs, including Client Data; and any other information we reasonably designate as confidential or proprietary. However, Confidential Information does not include information, knowledge or know-how that is or becomes generally known publicly (without violating an obligation to us or our affiliates) or that you knew from previous business experience before we provided it to you or before you began training or operating a Decimal Business.

Confidential Information is proprietary and includes our trade secrets. You and your owners (a) may not use any Confidential Information in any other business or capacity, whether during or after the Franchise Agreement's term; (b) must keep the Confidential Information absolutely confidential, both during the Franchise Agreement's term and after for as long as the information is not in the public domain; (c) may not make unauthorized copies of any Confidential Information disclosed in written or other tangible or intangible form; (d) must adopt and implement all reasonable procedures that we periodically designate to prevent unauthorized use or disclosure of Confidential Information, including restricting its disclosure to Franchise personnel and others needing to know the Confidential Information to operate the Franchise, and using confidentiality agreements with those having access to Confidential Information; and (e) may not sell, trade or otherwise profit in any way from the Confidential Information, except during the Franchise Agreement's term using methods we approve.

You must comply with our System Standards, other directions from us, prevailing industry standards (including payment card industry data security standards), all contracts to which you are a party or otherwise bound, and all applicable laws and regulations regarding the organizational,

physical, administrative and technical measures and security procedures to safeguard the confidentiality and security of Client Data on your Computer System or in your possession or control. You also must employ reasonable means to safeguard the confidentiality and security of Client Data. “**Client Data**” means names, contact information, financial information, and other personal information of or relating to clients and prospective clients of the Decimal Business. If there is a suspected or actual breach of security or unauthorized access involving Client Data (“**Data Security Incident**”), you must notify us immediately after becoming aware of it and specify the extent to which Client Data was compromised or disclosed. You must comply with our instructions in responding to any Data Security Incident. We have the right, but no obligation, to control the direction and handling of any Data Security Incident and any related investigation, litigation, administrative proceeding or other proceeding at your expense.

We and our affiliates may, through the Computer System or other means, have access to Client Data. During and after the Franchise Agreement’s term, we and our affiliates may make all disclosures and use the Client Data in our and their business activities and in any manner that we or they deem necessary or appropriate. You must secure from vendors, clients, prospective clients, and others all consents and authorizations, and provide them all disclosures, that applicable law requires to transmit Client Data to us and our affiliates and for us and our affiliates to use that Client Data in the manner that the Franchise Agreement contemplates.

#### Item 15

### **OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS**

Only you are authorized to operate the Franchise. You must operate the Franchise for the Franchise Agreement’s entire term and at all times faithfully, honestly and diligently perform your obligations and fully exploit the rights granted under the Franchise Agreement.

An individual whom we approve must at all times during the term of the Franchise Agreement serve as the “**Operating Principal**” and: (a) own 20% or more of the ownership interests of the franchisee entity; (b) have the authority under the entity’s governing documents to authorize a merger, liquidation, dissolution or transfer of substantially all of the company’s assets and otherwise direct and control the management and policies without the vote or consent of any other person or entity; and (c) devote sufficient time and attention to the operation, promotion and enhancement of the Decimal Business. The Franchise Agreement does not require the Operating Principal to participate personally in the direct day-to-day operation of the Franchise, but we recommend that he, she, or they do so.

An individual must also be designated as Accounting Principal. The “**Accounting Principal**” whom we approve will devote all of its business time and attention to the accounting services provided by the Decimal Business. The Accounting Principal need not have any ownership interest in the Franchise but must have authority over all day-to-day accounting decisions. If the Accounting Principal fails to serve in this capacity, you must designate a replacement, whom we approve, and ensure that he or she satisfactorily completes the training that we then require, within 30 days. The Operating Principal may serve as the Accounting Principal,

subject to our prior approval. The Operating Principal must complete the Initial Training Program to our satisfaction.

Each owner of the entity that owns the Franchise must sign a guaranty promising to be personally bound, jointly and severally, by all of the Franchise Agreement's provisions and any ancillary agreements between you and us. The Accounting Principal must sign a Key Personnel Agreement promising to be bound, jointly and severally, by confidentiality, non-competition and transfer restrictions contained in the Franchise Agreement. We do not require owners' spouses to sign guaranties. In addition, if you sign a Promissory Note, your owners must sign the Personal Guaranty under which they guarantee your obligations under the Promissory Note.

The Franchise's other employees having access to Confidential Information must sign agreements in a form we reasonably specify under which they agree to comply with the confidentiality restrictions contained in the Franchise Agreement.

#### Item 16

### **RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL**

The Franchise must offer all products and services that we periodically specify as being mandatory. You may not offer, sell, or provide any products or services that we have not authorized. You must discontinue offering, selling or providing any services that we at any time disapprove in writing. We may periodically change the types of authorized services for the Franchise and there are no limits on our right to make changes.

Our System Standards may regulate, and periodically specify, maximum, minimum, or other pricing requirements for services the Franchise offers, including requirements for promotions, special offers and discounts in which some or all Decimal Businesses participate, to the maximum extent the law allows; requirements for training, qualifications, conduct and appearance of management level personnel, and other aspects of providing services in a professional manner.

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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.**

| <b>Provision</b>                                  | <b>Section in franchise or other agreement</b>            | <b>Summary</b>                                                                                                                                                                                                                                                                                                                                                                                                                |
|---------------------------------------------------|-----------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| a. Length of the franchise term                   | 1.B and 14.C of Franchise Agreement; 1 of Promissory Note | Term of the Franchise Agreement is 10 years.<br>Term of the Promissory Note is typically 1 to 5 years.                                                                                                                                                                                                                                                                                                                        |
| b. Renewal or extension of the term               | 14.A of Franchise Agreement; 10 of Promissory Note        | Under the Franchise Agreement, you may acquire 2 successor franchises of 5 years each if you have complied with your obligations under the Franchise Agreement and other agreements, you provide written notice, and you bring the Decimal Business up to then-current system standards.<br><br>We may in our sole and absolute discretion grant extensions and/or renewals of the Promissory Note periodically for any term. |
| c. Requirements for franchisee to renew or extend | 14.A and 14.B of Franchise Agreement                      | You must sign our then current form of franchise agreement (which may be materially different from the Franchise Agreement), pay us successor franchise fee of 15% of the current franchise fee and sign release (to the extent state law allows).                                                                                                                                                                            |
| d. Termination by franchisee                      | 15.A of Franchise Agreement                               | You may terminate the Franchise Agreement if we commit a material breach of any of our obligations under the Franchise Agreement and fail to cure that breach within 30 days or a longer reasonable time period if we cannot reasonably correct the breach within 30 days.                                                                                                                                                    |
| e. Termination by franchisor without cause        | Not applicable                                            | We may not terminate the Franchise Agreement without cause.                                                                                                                                                                                                                                                                                                                                                                   |
| f. Termination by franchisor with cause           | 15.B-C of Franchise Agreement; 3(b) of Promissory Note    | We may terminate the Franchise Agreement if you or your owners commit any one of several violations. We may exercise a list of alternative remedies instead of terminating the Franchise Agreement.<br><br>We may terminate the Promissory Note if you commit any one of several defaults.                                                                                                                                    |

| Provision                                               | Section in franchise or other agreement                                                  | Summary                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|---------------------------------------------------------|------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| g. “Cause” defined – curable defaults                   | 15.B of Franchise Agreement                                                              | Violations of the Franchise Agreement have different cure periods applicable. Subject to applicable law, must defaults may be cured within 30 days of notice.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| h. “Cause” defined – non-curable defaults               | 15.B of Franchise Agreement; 3(b) of Promissory Note                                     | <p>Non-curable defaults under the Franchise Agreement include material misrepresentation or omission, failure to satisfactorily complete training, failure to sign a lease or open for business on time, abandonment or failure to actively operate, surrender or transfer of control, conviction of or pleading no contest to felony, any dishonest, unethical or illegal conduct that adversely impacts reputation or goodwill, failure to maintain insurance, interference with our rights to inspect or audit books and records, unauthorized transfer, termination of another agreement between you and us, violation of non-compete or confidentiality restrictions, failure to pay taxes, suppliers or lenders, repeated defaults and bankruptcy-related events.</p> <p>Non-curable defaults under the Promissory Note include failure to timely make payments, Franchise Agreement’s expiration or termination, bankruptcy-related events and breach of covenants or agreements under the Promissory Note or the Client Acquisition Agreement, sale or transfer of all or any material part of your property or assets or a change in or suspension of any significant part of your business.</p> |
| i. Franchisee’s obligations on termination/ non-renewal | 16 of Franchise Agreement; 2 and 3 of Promissory Note                                    | <p>Under the Franchise Agreement, pay amounts due (including liquidated damages), stop identifying as our franchisee or using Marks or similar marks, de-identify, cease using Confidential Information, and return Operations Manual (see also (o) and (r) below).</p> <p>Under the Promissory Note, pay all amounts owed, including costs, and allow DTI to repossess client accounts or deliver client accounts at DTI’s direction. DTI also may exercise rights as a secured creditor under the Uniform Commercial Code.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| j. Assignment of contract by franchisor                 | 13.A of Franchise Agreement; 8.06 of Client Acquisition Agreement; 12 of Promissory Note | We may assign the Franchise Agreement and change our ownership or form without restriction. No restrictions on DTI’s rights to assign or transfer under the Promissory Note or the Client Acquisition Agreement.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| k. “Transfer” by franchisee - defined                   | 13.B of Franchise Agreement; 8.06 of Client Acquisition Agreement; 12 of Promissory Note | <p>Includes transfer of any interest in the Franchise Agreement, the Franchise or its assets or your business, or any direct or indirect ownership interest in you if you are an entity, or which results in the transfer or creation of a controlling ownership interest in you.</p> <p>Includes the assignment of any rights or obligations under the Client Acquisition Agreement or the Promissory Note.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |

| Provision                                                               | Section in franchise or other agreement                                                          | Summary                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|-------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| l. Franchisor approval of transfer by franchisee                        | 13.B to 13.H of Franchise Agreement; 8.06 of Client Acquisition Agreement; 12 of Promissory Note | You may not transfer the Franchise or your rights or obligations under the Client Acquisition Agreement or the Promissory Note without our prior written approval.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| m. Conditions for franchisor approval of transfer                       | 13.B to 13.H of Franchise Agreement                                                              | <p>Conditions for non-control transfer are compliance with agreements, you provide notice and information to us at least 30 days before proposed transfer, sign general release (to the extent state law allows), transferee and its owners meet standards and have no ownership interest in or perform services for a competitive business, transferring owners agree not to use Marks or compete, you and owners agree to sign agreement and related documents to reflect new ownership structure, and you must pay a transfer fee.</p> <p>Conditions for control transfers are compliance with Franchise Agreement, you provide notice and information to us at least 30 days before proposed transfer, sign general release (to the extent state law allows), transferee and its owners meet standards and have no ownership interest in or perform services for a competitive business, transferring owners agree not to use Marks or compete, new personnel complete training, upgrade the Site, transferee (at our option) either agrees to be bound by current Franchise Agreement or signs our then current form of agreement and related documents (which may contain different provisions), and you pay transfer fee.</p> |
| n. Franchisor's right of first refusal to acquire franchisee's business | 13.H of Franchise Agreement                                                                      | We have the right to match offers to acquire your Decimal Business under certain conditions.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| o. Franchisor's option to purchase franchisee's business                | 16.E of Franchise Agreement                                                                      | We may purchase the Franchise's assets when the Franchise Agreement expires or terminates and manage the Franchise pending our purchase.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| p. Death or disability of franchisee                                    | 13.F of Franchise Agreement                                                                      | Must transfer to an approved transferee within 6 months.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |

| Provision                                                                 | Section in franchise or other agreement                                                                    | Summary                                                                                                                                                                                                                                                                                                                                                                         |
|---------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| q. Non-competition covenants during the term of the franchise             | 12 of Franchise Agreement                                                                                  | No owning interest in, providing services for, loaning or leasing to, or diverting business or customers to a competitive business.                                                                                                                                                                                                                                             |
| r. Non-competition covenants after the franchise is terminated or expires | 16.D of Franchise Agreement                                                                                | For 2 months, no owning interest in or providing services for a competitive business at the Site, within 30 miles of the Site, or within 30 miles of any other Decimal Business.                                                                                                                                                                                                |
| s. Modification of the agreement                                          | 18.K of Franchise Agreement; 8.08 of Client Acquisition Agreement; 12 of Promissory Note                   | Modifications only by written agreement of the parties, but we may change the Operations Manual, System Standards and Franchise System.                                                                                                                                                                                                                                         |
| t. Integration/merger clause                                              | 18.M of Franchise Agreement; 8.05 of Client Acquisition Agreement; 12 of Promissory Note                   | Only terms of the agreements are binding (subject to state law). Any representations or promises made outside of the disclosure document and those agreements may not be enforceable. Notwithstanding the foregoing, nothing in any agreement is intended to disclaim the express representations made in the franchise disclosure document, its exhibits, and amendments.      |
| u. Dispute resolution by arbitration or mediation                         | 18.F and 18.G of Franchise Agreement; 8.11 and 8.12 of Client Acquisition Agreement; 12 of Promissory Note | We and you must mediate all disputes within 10 miles of our then current principal business address (currently Indianapolis, Indiana) (subject to state law). All disputes that cannot be resolved through mediation must be submitted for arbitration within 10 miles of our then current principal business address (currently Indianapolis, Indiana) (subject to state law). |
| v. Choice of forum                                                        | 18.I of Franchise Agreement; 8.13 of Client Acquisition Agreement; 12 of Promissory Note                   | Subject to mediation and arbitration obligations, litigation is in the state and city of our then current principal business address (currently Indianapolis, Indiana) (subject to state law).                                                                                                                                                                                  |
| w. Choice of law                                                          | 18.H of Franchise Agreement; 8.10 of Client Acquisition Agreement; 11 of Promissory Note                   | Except for Federal Arbitration Act and other federal law, Delaware law applies to all claims (subject to state law).                                                                                                                                                                                                                                                            |

## Item 18

### **PUBLIC FIGURES**

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

## Item 19

### **FINANCIAL PERFORMANCE REPRESENTATIONS**

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or 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 financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Matt Tait at ~~759~~[17951](tel:75917951) Westfield Blvd., Indianapolis, Indiana 46240 and (317) 590-5070, the Federal Trade Commission, and the appropriate state regulatory agencies.

## Item 20

### **OUTLETS AND FRANCHISEE INFORMATION**

All numbers appearing in Tables 1 – 5 below are as of December 31 in each year. Our affiliate, DTI, operates the Decimal Businesses listed as “company-owned.”

**Table No. 1**  
**Systemwide Outlet Summary**  
For years ~~2022~~[2023](#) to ~~2024~~[2025](#)

| Column 1<br>Outlet Type    | Column 2<br>Year                     | Column 3<br>Outlets at the<br>Start of the<br>Year | Column 4<br>Outlets at the<br>End of the<br>Year | Column 5<br>Net Change           |
|----------------------------|--------------------------------------|----------------------------------------------------|--------------------------------------------------|----------------------------------|
| <del>Franchised</del>      | <del>2022</del>                      | 0                                                  | 0                                                | 0                                |
| <a href="#">Franchised</a> | 2023                                 | 0                                                  | 0                                                | 0                                |
|                            | 2024                                 | 0                                                  | 0                                                | 0                                |
| <del>Company-Owned</del>   | <del>2022</del> <a href="#">2025</a> | 0                                                  | <del>1</del> <a href="#">3</a>                   | <del>+1</del> <a href="#">+3</a> |

| Column 1<br>Outlet Type  | Column 2<br>Year            | Column 3<br>Outlets at the<br>Start of the<br>Year | Column 4<br>Outlets at the<br>End of the<br>Year | Column 5<br>Net Change |
|--------------------------|-----------------------------|----------------------------------------------------|--------------------------------------------------|------------------------|
| <u>Company-Owned</u>     | 2023                        | 1                                                  | 1                                                | 0                      |
|                          | 2024                        | 1                                                  | 1                                                | 0                      |
| <del>Total Outlets</del> | <del>2022</del> <u>2025</u> | <del>0</del> <u>1</u>                              | 1                                                | <del>+10</del> <u></u> |
| <u>Total Outlets</u>     | 2023                        | 1                                                  | 1                                                | 0                      |
|                          | 2024                        | 1                                                  | 1                                                | 0                      |
|                          | <u>2025</u>                 | <u>1</u>                                           | <u>4</u>                                         | <u>+3</u>              |

**Table No. 2**  
**Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)**  
For years ~~2022~~2023 to ~~2024~~2025

| Column 1<br>States    | Column 2<br>Year            | Column 3<br>Number of<br>Transfers |
|-----------------------|-----------------------------|------------------------------------|
| <del>All States</del> | <del>2022</del>             | <del>0</del>                       |
| <u>All States</u>     | 2023                        | 0                                  |
|                       | 2024                        | 0                                  |
| <del>Total</del>      | <del>2022</del> <u>2025</u> | 0                                  |
| <u>Total</u>          | 2023                        | 0                                  |
|                       | 2024                        | 0                                  |
|                       | <u>2025</u>                 | <u>0</u>                           |

**Table No. 3**  
**Status of Franchised Outlets**  
For years ~~2022~~2023 to ~~2024~~2025

| Column 1<br>State                    | Column 2<br>Year            | Column 3<br>Outlets at<br>Start of<br>Year | Column 4<br>Outlets<br>Opened | Column 5<br>Terminations | Column 6<br>Non-<br>Renewals | Column 7<br>Reacquired<br>by<br>Franchisor | Column 8<br>Ceased<br>Operations<br>-Other<br>Reason | Column 9<br>Outlets at<br>End of<br>Year |
|--------------------------------------|-----------------------------|--------------------------------------------|-------------------------------|--------------------------|------------------------------|--------------------------------------------|------------------------------------------------------|------------------------------------------|
| <del>All States</del> <u>Indiana</u> | <del>2022</del> <u>2023</u> | 0                                          | 0                             | 0                        | 0                            | 0                                          | 0                                                    | 0                                        |
|                                      | <del>2023</del> <u>2024</u> | 0                                          | 0                             | 0                        | 0                            | 0                                          | 0                                                    | 0                                        |
|                                      | <u>2025</u>                 | <u>0</u>                                   | <u>1</u>                      | <u>0</u>                 | <u>0</u>                     | <u>0</u>                                   | <u>0</u>                                             | <u>1</u>                                 |
| <u>Missouri</u>                      | <u>2023</u>                 | <u>0</u>                                   | <u>0</u>                      | <u>0</u>                 | <u>0</u>                     | <u>0</u>                                   | <u>0</u>                                             | <u>0</u>                                 |
|                                      | 2024                        | 0                                          | 0                             | 0                        | 0                            | 0                                          | 0                                                    | 0                                        |
|                                      | <u>2025</u>                 | <u>0</u>                                   | <u>1</u>                      | <u>0</u>                 | <u>0</u>                     | <u>0</u>                                   | <u>0</u>                                             | <u>1</u>                                 |

| Column 1<br>State | Column 2<br>Year     | Column 3<br>Outlets at<br>Start of<br>Year | Column 4<br>Outlets<br>Opened | Column 5<br>Terminations | Column 6<br>Non-<br>Renewals | Column 7<br>Reacquired<br>by<br>Franchisor | Column 8<br>Ceased<br>Operations<br>-Other<br>Reason | Column 9<br>Outlets at<br>End of<br>Year |
|-------------------|----------------------|--------------------------------------------|-------------------------------|--------------------------|------------------------------|--------------------------------------------|------------------------------------------------------|------------------------------------------|
| <b>TOTALS</b>     | <del>2022</del> 2023 | 0                                          | 0                             | 0                        | 0                            | 0                                          | 0                                                    | 0                                        |
| <u>South</u>      | 2024                 | <u>0</u>                                   | <u>0</u>                      | <u>0</u>                 | <u>0</u>                     | <u>0</u>                                   | <u>0</u>                                             | <u>0</u>                                 |
| <u>Carolina</u>   | 2025                 | <u>0</u>                                   | <u>1</u>                      | <u>0</u>                 | <u>0</u>                     | <u>0</u>                                   | <u>0</u>                                             | <u>1</u>                                 |
| <b>TOTALS</b>     | 2023                 | 0                                          | 0                             | 0                        | 0                            | 0                                          | 0                                                    | 0                                        |
|                   | 2024                 | 0                                          | 0                             | 0                        | 0                            | 0                                          | 0                                                    | 0                                        |
|                   | 2025                 | <u>0</u>                                   | <u>3</u>                      | <u>0</u>                 | <u>0</u>                     | <u>0</u>                                   | <u>0</u>                                             | <u>3</u>                                 |

**Table 4**  
**Status of Company-Owned Outlets**  
For years ~~2022~~2023 to ~~2024~~2025

| Column 1<br>State | Column 2<br>Year     | Column 3<br>Outlets at<br>Start of<br>the Year | Column 4<br>Outlets<br>Opened | Column 5<br>Reacquired<br>from<br>Franchisees | Column 6<br>Outlets<br>Closed | Column 7<br>Outlets<br>Sold to<br>Franchisees | Column 8<br>Outlets at<br>End of the<br>Year |
|-------------------|----------------------|------------------------------------------------|-------------------------------|-----------------------------------------------|-------------------------------|-----------------------------------------------|----------------------------------------------|
| Indiana           | <del>2022</del> 2023 | <del>0</del> <u>1</u>                          | <del>1</del> <u>0</u>         | 0                                             | 0                             | 0                                             | 1                                            |
|                   | <del>2023</del> 2024 | 1                                              | 0                             | 0                                             | 0                             | 0                                             | 1                                            |
|                   | <del>2024</del> 2025 | 1                                              | 0                             | 0                                             | 0                             | 0                                             | 1                                            |
| <b>Totals</b>     | <del>2022</del> 2023 | <del>0</del> <u>1</u>                          | <del>1</del> <u>0</u>         | 0                                             | 0                             | 0                                             | 1                                            |
|                   | <del>2023</del> 2024 | 1                                              | 0                             | 0                                             | 0                             | 0                                             | 1                                            |
|                   | <del>2024</del> 2025 | 1                                              | 0                             | 0                                             | 0                             | 0                                             | 1                                            |

**Table No. 5**  
**Projected Openings As Of December 31, ~~2024~~2025**

| State                       | Franchise Agreements<br>Signed But Outlet Not<br>Opened | Projected New<br>Franchised Outlets in<br>the Next Fiscal Year | Projected New Company-<br>Owned Outlet in the Next<br>Fiscal Year |
|-----------------------------|---------------------------------------------------------|----------------------------------------------------------------|-------------------------------------------------------------------|
| <del>Colorado</del> Indiana | 0                                                       | 1                                                              | 0                                                                 |
| Indiana                     | <del>0</del>                                            | <del>2</del>                                                   | <del>0</del>                                                      |
| <del>Missouri</del> TOTALS  | 0                                                       | 1                                                              | 0                                                                 |
| South-Carolina              | <del>0</del>                                            | <del>1</del>                                                   | <del>0</del>                                                      |
| <b>TOTALS</b>               | <del>0</del>                                            | <del>5</del>                                                   | <del>0</del>                                                      |

~~As~~The names, addresses, and telephone numbers of our franchisees as of December 31, 2024, no franchisees operated Decimal Businesses. In the future, we will list the names of all of our franchisees and the addresses and telephone numbers of their Decimal Businesses2025 are listed in Exhibit F. In the future, we will also provide (in Exhibit G) a list of the names, cities and

states, and last known home or business telephone numbers of the franchisees who had an outlet terminated, transferred, canceled, or not renewed, or who otherwise voluntarily or involuntarily ceased to do business under a franchise agreement with us, during the previous fiscal year or who have not communicated with us within 10 weeks of our then current disclosure document's issuance date. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

No franchisees have signed agreements with confidentiality clauses during the last 3 years. There are no trademark-specific franchisee organizations associated with the Decimal Business franchise network.

#### Item 21

### **FINANCIAL STATEMENTS**

Exhibit C contains our audited ~~opening balance sheet as of June 30~~ [financial statements for the fiscal year ended December 31](#), 2025. We have not been in business for 3 years and, therefore, cannot include 3 years of audited financial statements in this disclosure document. Our fiscal year end is December 31.

#### Item 22

### **CONTRACTS**

The following proposed agreements regarding the franchise offering are attached as exhibits to this disclosure document:

1. Franchise Agreement – Exhibit A
2. Form of Client Acquisition Agreement – Exhibit E-1
3. Form of Promissory Note (including form of Personal Guaranty) – Exhibit E-2
4. Release Signed upon Renewal or Transfer – Exhibit H
5. Franchise Compliance Certification – Exhibit J

#### Item 23

### **RECEIPT**

Two detachable acknowledgments of receipt of this disclosure document are the last 2 pages of this disclosure document.

**EXHIBIT A**  
**FRANCHISE AGREEMENT**



**FRANCHISE AGREEMENT**

\_\_\_\_\_  
**Franchisee Name**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Address of Franchisee**

\_\_\_\_\_  
**Territory Name**

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## **EXHIBITS**

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| EXHIBIT C | -- | GUARANTY AND ASSUMPTION OF OBLIGATIONS |
| EXHIBIT D | -- | KEY PERSONNEL AGREEMENT                |

**DECIMAL®**  
**FRANCHISE AGREEMENT**

THIS **FRANCHISE AGREEMENT** (the “**Agreement**”) is made and entered into as of \_\_\_\_\_ (the “**Agreement Date**”), regardless of the date of the parties’ signatures, between **DECIMAL FRANCHISING, LLC**, a Delaware limited liability company, whose principal business address is 7951 Westfield Blvd., Indianapolis, Indiana 46240 (“**Franchisor**”), and \_\_\_\_\_, whose principal business address is \_\_\_\_\_ (“**Franchisee**”).

**1. Preambles and Grant of Franchise Rights.**

**1.A. Preambles.**

(1) Franchisor has developed a method and system for establishing and operating accounting services businesses which are primarily identified by the Marks and use the Franchise System (the “**Decimal Business**”).

(2) Franchisor uses, promotes and licenses, and may in the future develop and license or sublicense, certain trademarks, service marks and other commercial symbols in operating Decimal Businesses, all of which Franchisor may modify from time to time (collectively, the “**Marks**”).

(3) Decimal Businesses operate using a distinct business system, business formats, processes, methods, procedures, trade dress, standards, specifications, and Marks, all of which Franchisor may improve, further develop and otherwise modify from time to time (collectively, the “**Franchise System**”).

(4) Franchisee has applied for a franchise to own and operate a single Decimal Business, and Franchisor has approved Franchisee’s application relying on all of Franchisee’s representations, warranties, and acknowledgments contained in Franchisee’s franchise application and this Agreement.

**1.B. Grant of Franchise and Term.** Subject to the terms and conditions contained in this Agreement, Franchisor hereby grants Franchisee the right and Franchisee assumes the obligation to establish and operate a single Decimal Business at the Site, and to exclusively use the Franchise System in its operation, for a term beginning on the Agreement Date and ending on the date which is ten (10) years after the Agreement Date, unless sooner terminated (the “**Term**”). Franchisee’s Decimal Business shall operate at the location specified on Exhibit A (the “**Site**”), which is located within the territory also described on Exhibit A (the “**Territory**”). If the Site and Territory are not determined as of the Agreement Date, they will be determined in accordance with Sections 2.A., 2.B., and 2.C hereof. Notwithstanding anything to the contrary in Section 18.K. of this Agreement, Franchisor may unilaterally amend Exhibit A after the Agreement Date to specify the Site and Territory, and the date upon which the Decimal Business first opens for business (the “**Opening Date**”).

1.C. Best Efforts. Only Franchisee is authorized to operate the Decimal Business. Franchisee must operate the Decimal Business for the entire Term and, at all times, faithfully, honestly, and diligently perform its obligations and fully exploit the rights granted under this Agreement.

1.D. Business Entity Franchisee. Franchisee, which shall be a corporation, a limited liability company, a general, limited, or limited liability partnership, or another form of business entity (an “**Entity**”), agrees and represents that:

(1) Franchisee’s organizational documents, operating agreement, and/or partnership agreement (as applicable) will recite that this Agreement restricts the issuance and transfer of any Ownership Interests (defined below) in Franchisee, and all certificates and other documents representing Ownership Interests in Franchisee will bear a legend referring to this Agreement’s restrictions. In this Agreement, “**Ownership Interests**” means (a) in relation to a corporation, shares of capital stock (whether common stock, preferred stock or any other designation) or other equity interests; (b) in relation to a limited liability company, membership interests or other equity interests; (c) in relation to a partnership, a general or limited partnership interest; and (d) in relation to any Entity (including those described in (a) through (d) above), any other interest in that Entity or its business that allows the holder of that interest (whether directly or indirectly) to direct or control the direction of the management of the Entity or its business (including a managing partner interest in a partnership, and a manager or managing member interest in a limited liability company), or to share in the revenue, profits or losses of, or any capital appreciation relating to, the Decimal Business, that Entity or its business.

(2) Exhibit B to this Agreement completely and accurately describes all of Franchisee’s Owners (defined below) and their Ownership Interests in Franchisee. In this Agreement, “**Owner**” means any individual or Entity holding a direct or indirect Ownership Interest (whether of record, beneficially, or otherwise) in Franchisee. The Operating Principal (defined below) and each Owner (if any) who owns (directly or indirectly) Ownership Interests in Franchisee at any time during the Term must sign an agreement in the form Franchisor designates undertaking personally to be bound, jointly and severally, by all provisions of this Agreement and any ancillary agreements between Franchisee and Franchisor (a “**Guaranty**”), the current version of which is Exhibit C to this Agreement. The Accounting Principal (defined below) must sign an agreement in the form Franchisor designates undertaking personally to be bound, jointly and severally, by the confidentiality, non-compete and transfer restrictions in this Agreement (a “**Key Personnel Agreement**”), the current version of which is Exhibit D to this Agreement. Subject to Franchisor’s rights and Franchisee’s obligations under Section 13 below, Franchisee and its Owners agree to sign and deliver to Franchisor a revised Exhibit B to reflect any changes in the information that Exhibit B contains on the Agreement Date or thereafter.

(3) an individual whom Franchisor approves (the “**Operating Principal**”) must at all times during the Term: (a) own (directly or indirectly) twenty percent (20%) or more of the Ownership Interests in Franchisee; (b) have the authority under Franchisee’s governing documents to direct and control Franchisee’s day-to-day management and

policies without the vote or consent of any other person or Entity; and (c) devote sufficient time and attention to the promotion and operation of the Decimal Business. The Operating Principal as of the Agreement Date is listed on Exhibit B.

(4) Franchisee shall designate an individual whom Franchisor approves to serve as the Decimal Business's Accounting Principal (the "**Accounting Principal**"), who will devote all of his or her business time and attention to the Decimal Business's accounting services. If the Operating Principal has training and experience in accounting, the Operating Principal may also serve as the Accounting Principal. If the Operating Principal does not have training and experience in accounting, Franchisee shall hire an approved Accounting Principal on or before the Opening Date. The Accounting Principal need not have any direct or indirect Ownership Interest in Franchisee but must have authority over day-to-day accounting decisions for Franchisee and the Decimal Business and must satisfactorily complete the training that Franchisor requires. The Accounting Principal as of the Agreement Date is listed on Exhibit B. If the Accounting Principal no longer serves in that capacity for any reason, then Franchisee must designate a replacement Accounting Principal whom Franchisor approves and ensure that such new Accounting Principal satisfactorily completes the training that Franchisor then requires within thirty (30) days after cessation of the prior Accounting Principal's employment.

(5) the Decimal Business will be the only business Franchisee owns or operates (although its Owners and affiliates may have other business interests, subject to Section 12 hereof).

## **2. Site Acceptance, Development and Opening of Decimal Business.**

### **2.A. Site Selection.**

(1) If Franchisee has not located an accepted Site as of the Agreement Date, then within thirty (30) days after the Agreement Date, Franchisee must deliver to Franchisor for Franchisor's review a complete site report and other materials and information Franchisor requests (collectively, the "**Site Report**") for a suitable site (consistent with any site selection guidelines that Franchisor may provide) within the non-exclusive "**Site Selection Area**" identified on Exhibit A. Franchisee will not have any territorial or other rights in or to the Site Selection Area. Franchisor may establish and operate, or grant rights to others to establish and operate, Decimal Businesses within or outside the Site Selection Area. The Decimal Business must be located at a site that Franchisor has accepted. Franchisor will not unreasonably withhold its acceptance of a site that meets its criteria. The Site may be an Owner's residence. If a proposed site is commercial space, however, then Franchisor may consider demographic characteristics; traffic patterns; parking; character of the neighborhood; competition from, proximity to, and nature of other businesses in the area; other commercial characteristics; the proposed site's size, appearance, and other physical characteristics; and any other factors that Franchisor deems appropriate in deciding whether to accept a site. In determining whether to accept a proposed site, Franchisor also may consider the proposed site's proximity both to the Site Selection Area's boundaries and to other existing or potential sites for Decimal Businesses located within or outside the Site Selection Area. Franchisor will use its

reasonable efforts to review and either accept or reject a site Franchisee proposes within fifteen (15) days after receiving the complete Site Report.

(2) Despite any assistance, information or recommendations that Franchisor provides with respect to the Site, Franchisor has made and will make no representations or warranties of any kind, express or implied, of the suitability of the Site for a Decimal Business or any other purpose. Franchisor's acceptance indicates only that Franchisor believes that the Site meets or has the potential to meet, or that Franchisor has waived, its general criteria of Site acceptability as of the Agreement Date. Applying criteria that have appeared effective for other sites might not accurately reflect the potential for all sites, and, after Franchisor accepts a site, demographic and/or other factors included in or excluded from its site criteria could change, thereby altering a site's potential. The uncertainty and instability of these criteria are beyond Franchisor's control, and Franchisor is not responsible if the Site fails to meet Franchisee's expectations. Franchisee's acceptance of the rights under this Agreement is based on Franchisee's own independent investigation.

2.B. Lease. If Franchisee elects to lease commercial space to operate the Decimal Business, then in connection with the negotiation of the terms of the lease or sublease for the Site (the "**Lease**"), Franchisee must utilize a form of letter of intent (the "**LOI**") approved by Franchisor. Franchisee must obtain Franchisor's prior written acceptance of the LOI before Franchisee provides the LOI to the landlord. Franchisee must also obtain Franchisor's prior written acceptance of the terms of the Lease before Franchisee signs it. The Lease and the LOI must contain the terms and provisions that are reasonably acceptable to Franchisor, including provisions to protect its rights as franchisor. Franchisee acknowledges that Franchisor's acceptance of the Lease and the LOI is not a guarantee or warranty, express or implied, of the success or profitability of a Decimal Business operated at the Site. Franchisor's acceptance of the Lease and the LOI indicates only that Franchisor believes that the Lease's and the LOI's terms meet, or that Franchisor has waived, its then acceptable criteria. Franchisee must give Franchisor a copy of the fully-signed Lease within ten (10) days after Franchisee and the landlord have signed it. Franchisee may not sign any renewal or amendment of the Lease that Franchisor has not accepted.

2.C. Territory Designation. After Franchisor accepts the Site, Franchisor will define the Territory based on the factors that Franchisor deems relevant, which might include demographics, the character and location of the Site, proximity to other Decimal® franchisees, and nearby businesses. Franchisor will insert the Site's address and the Territory's description on Exhibit A.

2.D. Developing and Equipping the Decimal Business.

(1) Franchisor will provide Franchisee with mandatory and suggested specifications for developing and equipping a Decimal Business, which may include recommendations and/or requirements for Operating Assets. "**Operating Assets**" means all required Computer System (defined below) components, equipment and other assets, systems, and inventory Franchisor periodically requires for the Decimal Business. The Decimal Business must contain all of the Operating Assets, and only the Operating Assets, that Franchisor periodically specifies.

(2) As applicable, it is Franchisee's responsibility to ensure compliance with the Americans with Disabilities Act (the "**ADA**") and similar rules governing public accommodations for persons with disabilities, other applicable ordinances, building codes, permit requirements, and Lease requirements and restrictions. Franchisee must remedy, at its expense, any noncompliance or alleged noncompliance with those laws and regulations.

(3) As applicable, at Franchisee's expense, Franchisee must construct, install trade dress, furnish, and otherwise develop the Decimal Business at the Site according to Franchisor's standards, specifications and directions. If Franchisor requires, Franchisee must purchase or lease only approved brands, types and/or models of Operating Assets and/or purchase or lease them only from suppliers Franchisor designates or approves (which may include or be limited to Franchisor or its affiliates).

2.E. Computer System. Franchisee agrees to obtain and use in connection with the operation of the Decimal Business the computer-based, web-based, application-based and/or other technological systems and services that Franchisor periodically specifies, including hardware components, software, dedicated communication and power systems, printers, payment devices, and other computer-related accessories and peripheral equipment (the "**Computer System**"). Franchisor may periodically modify specifications for and components of and/or the technologies and functions for, the Computer System, and these modifications and/or other technological developments or events, may require Franchisee to purchase, lease and/or license new or modified computer hardware, software and other components and technologies and to obtain service and support for the Computer System. Although Franchisor cannot estimate the future costs of the Computer System or required service or support, Franchisee agrees to incur the costs of obtaining and updating the Computer System (and additions and modifications) and required service or support. Within sixty (60) days after Franchisor delivers notice to Franchisee, Franchisee agrees to obtain the Computer System components that Franchisor designates and ensure that Franchisee's Computer System, as modified, is functioning properly.

Franchisor and its affiliates may condition any license of required or recommended proprietary software to Franchisee, and/or Franchisee's use of technology developed or maintained by or for Franchisor (including the System Website, as defined in Section 7.E.), on Franchisee's signing a software license agreement or similar document, or otherwise agreeing to the terms (for example, by acknowledging Franchisee's consent to and accepting the terms of a click-through license agreement), that Franchisor and its affiliates periodically specify to regulate Franchisee's use of, and Franchisor's (or its affiliate's) and Franchisee's respective rights and responsibilities with respect to, the software or technology. Franchisor and its affiliates may charge Franchisee up-front and ongoing fees for any required or recommended proprietary software or technology that Franchisor or its affiliates license to Franchisee and for other Computer System maintenance and support services provided during the term of this Agreement.

Notwithstanding Franchisee's obligation to buy, use, and maintain the Computer System according to Franchisor's standards and specifications, Franchisee has sole and complete responsibility for: (1) the acquisition, operation, maintenance, and upgrading of the Computer System; (2) the manner in which Franchisee's Computer System interfaces with Franchisor's and any third party's computer system; and (3) any and all consequences if the Computer System is not properly operated, maintained, and upgraded. The Computer System shall permit twenty-four

(24) hours per day, seven (7) days per week electronic communications between Franchisee and Franchisor.

2.F. Decimal Business Opening. Franchisee must open the Decimal Business for business on or before the Opening Deadline defined and listed on Exhibit A, which, unless otherwise agreed by Franchisor, shall be no later than ninety (90) days after the Agreement Date. Franchisee agrees not to open the Decimal Business until: (1) Franchisee has properly equipped the Decimal Business according to Franchisor's standards and specifications and in compliance with all applicable laws and regulations; (2) all pre-opening training for the Decimal Business's personnel has been completed to Franchisor's satisfaction; (3) all amounts Franchisee then owes to Franchisor and its affiliates have been paid; (4) Franchisee has given Franchisor evidence of required insurance coverage and payment of premiums; (5) if Franchisee has signed a Lease, Franchisee has given Franchisor a copy of the fully-signed Lease; and (6) if Franchisor (at its sole option) requires, Franchisor has certified the Decimal Business for opening. Franchisor's determination that Franchisee has met all of Franchisor's pre-opening requirements will not constitute a waiver of Franchisee's non-compliance or of Franchisor's right to demand full compliance with those requirements.

2.G. Decimal Business Relocation. Franchisee may relocate the Decimal Business to a new site within the Territory upon Franchisor's prior written approval. If Franchisee relocates, Franchisee must comply with this Agreement's provisions relating to establishing the Decimal Business at the new site and de-identification of the old site, as applicable.

### 3. Territorial Rights.

3.A. Territorial Rights. Beginning on the date upon which Franchisor accepts the Site and determines the Territory, or, if the Site is determined on the Agreement Date, then from the Agreement Date, if Franchisee is complying with this Agreement, neither Franchisor nor its affiliates will operate, or authorize any other party to operate, a Decimal Business, the physical premises of which is located within the Territory. Although Franchisor does not encourage direct marketing outside of Decimal Businesses' respective territories, Franchisor does not prohibit it. As such, Franchisor, its affiliates, and third parties may provide products and services that are similar or dissimilar to, or competitive with, any products or services that Decimal Businesses provide, whether identified by the Marks or other trademarks or service marks, to clients located within the Territory. Franchisee is not prohibited from performing services for clients located outside the Territory or from advertising or promoting the Decimal Business in media, including the Internet, that may extend beyond the boundaries of the Territory; provided, however, that Franchisor recommends and encourages Franchisee to prioritize soliciting and serving clients located within the Territory.

3.B. Rights Franchisor Maintains. Franchisor (and any affiliates that Franchisor might have from time to time) shall at all times have the right to engage in any activities Franchisor or they deem appropriate that are not expressly prohibited by this Agreement, whenever and wherever Franchisor or they desire, including:

(1) establishing and operating, and granting rights to others to establish and operate, on any terms and conditions Franchisor deems appropriate, Decimal Businesses the physical premises of which are at any locations outside the Territory;

(2) establishing and operating, and granting rights to others to establish and operate, on any terms and conditions Franchisor deems appropriate, accounting, bookkeeping, tax, consulting, and other advisory businesses, or any similar or dissimilar businesses, that either are not primarily identified by the Marks or do not use the Franchise System at any locations, whether within or outside the Territory;

(3) all rights relating directly or indirectly to the Marks, and all products and services associated with any of the Marks, in connection with any methods of distribution, except as specifically set forth in Section 3.A. This includes providing, and granting rights to others to provide (except as specifically set forth in Section 3.A.), products and services to clients and other third parties that are similar or dissimilar to, or competitive with, any products and services provided by Decimal Businesses, whether identified by the Marks or other trademarks or service marks, regardless of the method of distribution (including through the System Website), and at any locations; and

(4) acquiring the assets or Ownership Interests of, or being acquired (regardless of the form of transaction) by, one or more businesses providing products and services similar or dissimilar to those provided at Decimal Businesses, and franchising, licensing or creating other arrangements with respect to these businesses once acquired, wherever these businesses (or the franchisees or licensees of these businesses) are located or operating, whether within or outside the Territory.

#### **4. Training and Assistance.**

4.A. Initial Training Program. Before opening the Decimal Business for business, the Operating Principal and the Accounting Principal (if different from the Operating Principal) must attend and complete to Franchisor's satisfaction all components of Franchisor's designated initial training program (the "**Initial Training Program**"). However, if the Operating Principal has attended and completed the Initial Training Program to Franchisor's satisfaction in connection with another Decimal Business, Franchisor will not require the Operating Principal to attend the Initial Training Program. The Initial Training Program may include virtual, online, and/or self-study programs. If Franchisor determines that any of Franchisee's personnel cannot complete the Initial Training Program to Franchisor's satisfaction, then in addition to its other rights and remedies, including the right to termination this Agreement, Franchisor may require such personnel to attend additional training programs at Franchisee's expense (for which Franchisor may charge reasonable additional training fees).

4.B. Ongoing Training. During the Term, Franchisor may require Franchisee and/or its personnel, including the Accounting Principal, to attend and satisfactorily complete various training courses and programs and evaluation programs, including online training, that Franchisor chooses to provide periodically at the times and locations Franchisor designates. At Franchisor's option, Franchisee must acquire the equipment, technology, and other products and services that Franchisor periodically specifies (and pay all associated fees) in order to participate in the learning

management platform or other Decimal Business training system that Franchisor periodically designates. Franchisee's personnel whom Franchisor periodically specifies also must attend any conventions or other programs that Franchisor periodically specifies for some or all Decimal Businesses. Franchisor may make available to Franchisee business coaching and support programs at Franchisee's expense, as detailed in the Operations Manual.

4.C. Fees and Expenses During Training. Franchisor will provide the Initial Training Program to the Operating Principal and Accounting Principal, and up to two (2) Owners at no charge, but Franchisee must pay Franchisor's then-current initial training fee that Franchisor specifies for any additional management-level personnel attending the Initial Training Program. Franchisor does not provide training to any of Franchisee's personnel who are not management-level. Franchisee must also reimburse Franchisor for any travel, living and other expenses (including local transportation expenses) incurred in connection with providing any on-site training. Franchisee also agrees to pay the training and attendance fees that Franchisor periodically specifies for any ongoing training and evaluation programs and for any conventions that Franchisor provides. Franchisee also will be responsible for its and its personnel's travel, living and other expenses (including local transportation expenses) and compensation incurred in connection with attendance at any training courses and programs, conventions or work at any Decimal Business that is part of their development.

4.D. Compliance Guidance. Franchisor will advise Franchisee from time to time regarding the Decimal Business's operation based on Franchisee's reports or Franchisor's inspections, including with respect to standards, specifications, operating procedures and methods that Decimal Businesses use, purchasing required or recommended Operating Assets and other products, and administrative, bookkeeping and accounting procedures. Franchisor will guide Franchisee in Franchisor's operating manual and/or other manuals (collectively, the "**Operations Manual**"); in bulletins or other written materials; by electronic media; by telephone consultation; and/or at Franchisor's office or the Decimal Business. If Franchisee requests and Franchisor agrees to provide additional or special guidance, assistance or training, Franchisee must pay Franchisor's then applicable fees and charges, including per diem charges and any travel and living expenses for Franchisor's personnel. Any specific ongoing training, conventions, advice or assistance that Franchisor provides does not create an obligation to continue providing that specific training, convention, advice or assistance, all of which Franchisor may discontinue and modify at any time.

4.E. Operations Manual and System Standards. Franchisor will provide Franchisee access to the Operations Manual for use in operating the Decimal Business during the Term. The Operations Manual might include written or intangible materials (including videos and other electronic media) and may be made available to Franchisee by various means. At Franchisor's option, Franchisor may post the Operations Manual on the System Website or another restricted website to which Franchisee will have access, in which event Franchisee must periodically monitor the website for any updates to the Operations Manual or System Standards. Any passwords or other digital identifications necessary to access the Operations Manual on such a website will be deemed to be part of Confidential Information (defined in Section 11.A.). The Operations Manual contains mandatory and suggested specifications, standards, operating procedures and rules that Franchisor periodically specifies for developing and/or operating a Decimal Business ("**System Standards**") and information on Franchisee's other obligations under this Agreement. Franchisor

may modify the Operations Manual periodically to reflect changes in System Standards. Franchisee agrees to keep its copy of the Operations Manual current and communicate all updates to its employees and contractors in a timely manner. If there is a dispute over its contents, Franchisor's master copy of the Operations Manual controls. Franchisee agrees that the contents of the Operations Manual are confidential, and that Franchisee will not disclose the Operations Manual to any person other than Decimal Business employees who need to know its contents. Franchisee may not at any time copy, duplicate, record or otherwise reproduce any part of the Operations Manual, except as Franchisor periodically authorizes for training and operating purposes.

4.F. Delegation of Performance. Franchisor may delegate the performance of any portion or all of its obligations under this Agreement to its affiliates or other third-party designees, whether these designees are Franchisor's agents or independent contractors with whom Franchisor contracts to perform these obligations.

## 5. Fees.

5.A. Initial Franchise Fee. On the Agreement Date, Franchisee agrees to pay Franchisor an initial franchise fee in the amount set forth on Exhibit A. The initial franchise fee is fully earned by Franchisor when Franchisee signs this Agreement and is not refundable under any circumstances.

5.B. Royalty Fee. Franchisee agrees to pay Franchisor, on or before the day of each week that Franchisor periodically specifies (the "**Payment Day**"), a royalty (the "**Royalty Fee**") in an amount equal to ten percent (10%) of Gross Revenues earned from Client Accounting Services and Tax Filing Services (collectively, "**Accounting Services**"), plus five percent (5%) of Gross Revenues earned from Tax Advisory Services and Client Advisory Services (collectively, "**Advisory Services**"); provided, however, that if Franchisee provides Accounting Services and Advisory Services to any client and more than fifty percent (50%) of Gross Revenues earned from such client are derived from Advisory Services, then Franchisee must pay a Royalty Fee in the amount of ten percent (10%) of fifty percent (50%) of the combined Gross Revenues earned from Accounting Services and Advisory Services (regardless of how the services are actually allocated) from such client, plus five percent (5%) of the remaining fifty percent (50%) of Gross Revenues earned from such client (regardless of how the services are actually allocated). For the avoidance of doubt, Franchisee shall pay an aggregate Royalty Fee equal to the sum of the Royalty Fees applicable for each and every client that receives Accounting Services and/or Advisory Services from the Decimal Business. As used in this Agreement, the terms "Client Accounting Services," "Tax Filing Services," "Tax Advisory Services," and "Client Advisory Services" shall have the meanings provided in the Operations Manual.

5.C. Marketing Technology Fee. Franchisee agrees to pay Franchisor a "**Marketing Technology Fee**" of Two Hundred Fifty Dollars (\$250) per month, for Franchisor's administration of the Franchise System and ongoing development of Franchise System standards and resources. Franchisor reserves the right to increase the Marketing Technology Fee during the Term no more frequently than once per calendar year, upon thirty (30) days' notice to the Franchise System, by no more than twenty percent (20%) annually. Such notice need not conform to the notice requirements of this Agreement.

5.D. Designated Service Provider Fees. In addition to all fees payable to Franchisor, Franchisee shall pay to Franchisor's designee, which may be Franchisor's affiliate ("**Decimal Franchise Services**"), monthly fees and charges for services received from one or more designated service providers, which may include Franchisor's affiliates (collectively, "**DSP Fees**"). The DSP Fees currently pay for the following services, as described in the Operations Manual and detailed on Exhibit A: software suite (which permits Franchisee's users' access to Franchisor's technology suite of software applications, which currently include an accounting and financial management application, a sales and customer relationship management application, a human resources and security application, and a communication and collaboration application, as described in the Operations Manual), staff recruitment and training, hardware acquisition, delivery support payroll, billing and collections administration, and Queues support, which includes bookkeeping and month-end close services. Any or all of the DSP Fees may be increased by up to one hundred percent (100%) annually upon thirty (30) days' notice to the Franchise System. Such notice need not conform to the notice requirements of this Agreement. Franchisor also reserves the right to modify, change, and eliminate services covered by the DSP Fees upon notice to the Franchise System.

5.E. Definitions of Gross Revenues. In this Agreement, "**Gross Revenues**" means the total amount invoiced by Franchisee to and subsequently paid by, clients of the Decimal Business. Calculation of Gross Revenues shall include any implied or imputed proceeds from any business interruption insurance.

5.F. Payments; Automatic Debits. Franchisor reserves the right to require that all clients of the Decimal Business remit payment through Decimal Franchise Services for all amounts invoiced by the Decimal Business.

(1) At the time of each client payment transaction, Decimal Franchise Services shall: (a) deduct a payment administration fee equal to one percent (1%) of the transaction amount (the "**Payment Administration Fee**"); (b) deduct applicable payment processing fees; and (c) deposit the remaining net proceeds into Franchisee's designated account (the "**Reconciliation**"). Franchisor will make Reconciliation statements for the preceding twelve (12) month period available to Franchisee upon written request.

(a) On a weekly basis, Franchisor shall invoice Franchisee for all Royalty Fees and Brand Development Fund contributions, each calculated as a percentage of the Gross Revenues of the Decimal Business during the applicable billing period. In cases of refunds and/or chargebacks, Franchisee may apply for a credit to be applied to future invoices.

(b) On a monthly basis, Decimal Franchise Services shall invoice Franchisee for DSP Fees, which shall include: (i) an amount based on projected usage of services for the upcoming month and (ii) a reconciliation of actual usage from the preceding calendar month, with any additional amount due or credit owed reflected in the invoice. Decimal Franchise Services may retain such amounts from funds received or may cause such amounts to be paid via automatic debit, as applicable.

(2) Franchisee shall sign and deliver to Franchisor the documents Franchisor periodically requires authorizing Franchisor to debit Franchisee's bank account automatically for any amounts due under this Agreement or any related agreement between Franchisor (or its affiliates) and Franchisee that are not paid to Franchisor through the Reconciliation.

(3) As applicable, Franchisee agrees to make necessary funds available for withdrawal by electronic transfer before each Payment Day. Franchisee must pay Franchisor the greater of One Hundred Dollars (\$100) or five percent (5%) of the amount owed to Franchisor (subject to applicable law) to compensate Franchisor for any "insufficient funds" charges and related expenses Franchisor incurs if Franchisee fails to maintain sufficient funds in Franchisee's bank account.

(4) If Franchisee fails to report the Decimal Business's Gross Revenues, then Decimal Franchise Services may remit to Franchisor one hundred twenty percent (120%) of the last Royalty Fee and Brand Development Fund contribution that Franchisor received on account of Gross Revenues of the Decimal Business.

(5) If during any month the amounts that Franchisor receives from Decimal Franchise Services on account of Gross Revenues of the Decimal Business are less than the amounts Franchisee owes Franchisor (once Franchisor has determined the Decimal Business's actual Gross Revenues), Franchisor will debit Franchisee's account for the balance, plus interest due under Section 5.G., on the day Franchisor specifies. If during any month the amounts that Franchisor receives from Decimal Franchise Services on account of Gross Revenues of the Decimal Business are greater than the amounts Franchisee owes Franchisor (once Franchisor has determined the Decimal Business's actual Gross Revenues), Decimal Franchise Services will credit the excess (without interest) against the amounts Franchisor otherwise would be entitled to during the following month(s).

(6) Franchisor may periodically change the mechanism for Franchisee's payments of Royalty Fees, Brand Development Fund contributions, Marketing Technology Fees, DSP Fees, and other amounts Franchisee owes to Franchisor, Decimal Franchise Services, or their affiliates under this Agreement or any related agreement. Franchisee may not subordinate to any other obligation its obligation to pay Royalty Fees, Brand Development Fund contributions, Marketing Technology Fees, DSP Fees, or any other fee or charge under this Agreement.

5.G. Interest on Late Payments. All amounts which Franchisee owes Franchisor, if not paid (or made available for withdrawal from Franchisee's bank account if Franchisor is then collecting those amounts by automatic debit) by the due date, will bear interest beginning on their due date at one and one-half percent (1.5%) per month or the highest commercial contract interest rate the law allows, whichever is less. Franchisee acknowledges that this Section 5.G. is not Franchisor's agreement to accept any payments after they are due or Franchisor's commitment to extend credit to, or otherwise finance Franchisee's operation of, the Decimal Business. Franchisee's failure to pay all amounts that it owes Franchisor when due constitutes grounds for Franchisor's terminating this Agreement under Section 15, notwithstanding this Section 5.G.

5.H. Taxes on Franchisee's Payments. In addition to any sales, use, excise, privilege or other transaction taxes that applicable law requires or permits Franchisor to collect from Franchisee for the sale, lease or other provision of goods or services under this Agreement, Franchisee shall pay Franchisor an amount equal to all federal, state, local or foreign (a) sales, use, excise, privilege, occupation or any other transactional taxes, and (b) other taxes or similar exactions, no matter how designated, that are imposed on Franchisor or that Franchisor is required to withhold in connection with the receipt or accrual of Royalty Fees or any other amounts payable by Franchisee to Franchisor under this Agreement, excluding only taxes imposed on Franchisor for the privilege of conducting business and calculated with respect to Franchisor's net income, capital, net worth, gross receipts, or some other basis or combination thereof, but not excluding any gross receipts taxes imposed on Franchisor or its affiliates for Franchisee's payments intended to reimburse Franchisor or its affiliates for expenditures incurred for Franchisee's benefit and on its behalf. Franchisee shall make any additional required payment pursuant to this Section in an amount necessary to provide Franchisor with after-tax receipts (taking into account any additional payments required hereunder) equal to the same amounts that Franchisor would have received under this Agreement if such additional tax liability or withholding had not been imposed or required.

## **6. Decimal Business Operation and System Standards.**

6.A. Use and Condition of Decimal Business Site. If the Site is a commercial premises, Franchisee must place or display at the Site (interior and exterior) only those signs, logos and display and advertising materials that Franchisor periodically requires or authorizes during the Term. Franchisee further agrees to maintain the condition and appearance of its Operating Assets and the Site in accordance with Franchisor's System Standards. Without limiting that obligation, Franchisee agrees, without limitation, to repair or replace, at Franchisor's direction, damaged or obsolete Operating Assets at intervals that Franchisor may periodically specify (or, if Franchisor does not specify an interval for replacing any Operating Asset, as that Operating Asset needs to be repaired or replaced).

6.B. Products and Services the Decimal Business Offers. Franchisee agrees that: (1) the Decimal Business must offer all products and services that Franchisor periodically specifies as being mandatory; (2) Franchisee may not offer, sell, or otherwise provide any products or services that Franchisor has not authorized; and (3) Franchisee must discontinue offering, selling or otherwise providing any products or services that Franchisor at any time disapproves in writing.

6.C. Approved Products, Distributors and Suppliers. Franchisor reserves the right to periodically designate and approve standards, specifications, suppliers and/or distributors of the Operating Assets and other products and services that Franchisor periodically authorizes for use in operating the Decimal Business. During the Term, Franchisee must purchase or lease all Operating Assets and other products and services for the Decimal Business only according to the System Standards and, if Franchisor requires, only from suppliers or distributors that Franchisor designates or approves (which may include or be limited to Franchisor or its affiliates). Franchisor and/or its affiliates may derive revenue based on Franchisee's purchases and leases, including from charging Franchisee for products and services that Franchisor or its affiliates provide to Franchisee and from promotional allowances, volume discounts and other payments made to Franchisor by suppliers and/or distributors that it designates or approves for some or all of its franchisees.

Franchisor and its affiliates may use all amounts received from suppliers and/or distributors, whether or not based on Franchisee's or other franchisees' actual or prospective dealings with them, without restriction for any purposes Franchisor or its affiliates deem appropriate.

If Franchisee wants to use any Operating Assets or other products or services for or in the operation of the Decimal Business that Franchisor has not yet evaluated, or purchase or lease any Operating Assets or other products or services from a supplier or distributor that Franchisor has not yet approved (for Operating Assets or other products and services that Franchisor requires Franchisee to purchase only from designated or approved suppliers or distributors), Franchisee first must submit sufficient information, specifications and samples for Franchisor to determine whether the product or service complies with Franchisor's standards and specifications and/or the supplier or distributor meets Franchisor's criteria. For each supplier, distributor, or product Franchisee submits for Franchisor's review, Franchisee must pay Franchisor an amount not to exceed the reasonable cost of the inspection and Franchisor's actual cost of testing the proposed product or evaluating the proposed service or service provider, including personnel and travel costs, whether or not the item, service, supplier or service provider is approved. Franchisor may condition its approval of a supplier or distributor on requirements relating to product quality, production capacity, quality assurance systems, reputation, prices, consistency, warranty, reliability, financial capability, labor relations, client relations, frequency of delivery, concentration of purchases, standards of service (including prompt attention to complaints) and/or other criteria. Franchisor has the right to inspect the proposed supplier's or distributor's facilities and to require the proposed supplier or distributor to deliver product or other samples, at its option, either directly to Franchisor or to any third-party Franchisor designates for testing. Franchisor reserves the right periodically to re-inspect products and services of any approved supplier or distributor and to revoke its approval of any supplier, distributor, product, or service that does not continue to meet its criteria. Notwithstanding the foregoing, Franchisee agrees that Franchisor may limit the number of approved suppliers with whom Franchisee may deal, designate sources that Franchisee must use, and/or refuse any of Franchisee's requests for any reason, including if Franchisor has already designated an exclusive source (which might be Franchisor, Decimal Franchise Services, or its affiliate) for the applicable product or service or if Franchisor believes that doing so is in the best interests of the Decimal Business network.

6.D. Decimal Franchise Services. Franchisor may require Franchisee to exclusively use Decimal Franchise Services for all services covered by DSP Fees (as Franchisor may periodically modify such services, collectively, "**Client Services**"). Client Services may be hosted and accessed on a proprietary web-based system and online platform (the "**Decimal Web Platform**"), call center and app-based processes, and any other program or system that Franchisor may periodically specify. Franchisee agrees to accept and fulfill all business the Decimal Business receives through the Decimal Web Platform in accordance with this Agreement and all applicable System Standards to the maximum extent the law allows. Franchisor may periodically modify any Client Services and the Decimal Web Platform, including the services provided, and may periodically stop providing any or all Client Services, and the Decimal Web Platform access or services, upon notice to Franchisee.

6.E. Compliance with Laws and Good Business Practices. Franchisee must secure and maintain in force throughout the Term all required licenses, permits and certificates relating to the Decimal Business's operation, and operate the Decimal Business in full compliance with all

applicable laws, ordinances and regulations, including Executive Order 13224 issued by the President of the United States, the USA PATRIOT Act, and any other federal, state, or local law, ordinance, regulation, policy, list or other requirement of any governmental authority addressing or in any way relating to terrorist acts or acts of war (“**Anti-Terrorism Laws**”). Without limiting the foregoing, Franchisee represents and warrants to Franchisor that none of Franchisee’s (or its Owners’) property or interests is subject to being blocked under, and Franchisee and its Owners otherwise are not in violation of, any Anti-Terrorism Law. The Decimal Business must in all dealings with its clients, prospective clients, suppliers, Franchisor and the public adhere to the highest standards of honesty, integrity, fair dealing and ethical conduct. Franchisee agrees to refrain from any business or advertising practice which might injure Franchisor’s business or reputation or the goodwill associated with the Marks or other Decimal Businesses. Franchisee must notify Franchisor in writing within five (5) days of: (1) the commencement of any action, suit or proceeding relating to the Decimal Business; (2) the issuance of any order, writ, injunction, award or decree of any court, agency or other governmental instrumentality which might adversely affect Franchisee’s operation or financial condition or that of the Decimal Business; and (3) any notice of violation or alleged violation of any law, ordinance or regulation relating to the Decimal Business.

6.F. Insurance. During the Term, Franchisee must maintain in force at Franchisee’s sole expense the insurance coverage for the Decimal Business in the amounts, covering the risks, provided by the insurance carriers, and containing only the exceptions and exclusions that Franchisor periodically specifies for similarly situated Decimal Businesses. All of Franchisee’s insurance carriers must be rated A or higher by A.M. Best and Company, Inc. (or such similar criteria as Franchisor periodically specifies). In addition, Franchisor may from time to time specify insurance carriers from which Franchisee must obtain and maintain the then-current required insurance coverage. These insurance policies must be in effect on or before the deadlines Franchisor specifies. All coverage must be on an “occurrence” basis, except for employment practices liability insurance coverage, which is on a “claims made” basis. All policies shall apply on a primary and non-contributory basis to any other insurance or self-insurance that Franchisor or its affiliates maintain. All coverage must provide for waiver of subrogation in favor of Franchisor and its affiliates. Franchisor may, upon at least sixty (60) days’ notice to Franchisee, periodically increase the amounts of coverage required and/or require different or additional insurance coverage at any time to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards or other relevant changes in circumstances. All insurance policies must name Franchisor and any affiliates it designates as an additional insured and provide for thirty (30) days’ prior written notice to Franchisor of a policy’s material modification or cancellation. Franchisee agrees periodically to send Franchisor a valid certificate of insurance or duplicate insurance policy evidencing that Franchisee has maintained the required coverage and paid the applicable premiums. If Franchisee fails to obtain or maintain (or to prove that it has obtained or maintained) the insurance Franchisor specifies, in addition to its other remedies, Franchisor may (but need not) obtain such insurance for Franchisee and the Decimal Business on Franchisee’s behalf, in which event Franchisee shall cooperate with Franchisor and reimburse Franchisor for all premiums, costs and expenses it incurs in obtaining and maintaining the insurance.

6.G. Compliance With System Standards. Franchisee acknowledges and agrees that operating and maintaining the Decimal Business according to System Standards, as Franchisor may periodically modify and supplement them, are essential to preserve the goodwill of the Marks and all Decimal Businesses. Therefore, Franchisee agrees at all times to operate and maintain the Decimal Business according to each and every System Standard, as Franchisor periodically modifies and supplements them. System Standards may (except as specifically set forth below) regulate any aspect of the Decimal Business's development, operation and maintenance, including any one or more of the following:

- (1) sales, marketing, advertising, promotional and public relations programs and materials for the Decimal Business and media used in these programs, including participation in and compliance with the requirements of any special advertising, marketing, promotional and public relations programs that Franchisor periodically specifies in which all or certain Decimal Businesses participate, such as standards for participating in charitable and public relations programs;
- (2) standards, requirements and procedures for participating in, and accepting and fulfilling client requisitions;
- (3) use of the Decimal Web Platform;
- (4) required standards and procedures for providing client services;
- (5) the design and appearance of the Decimal Business and its Operating Assets, including the Decimal Business's branding and cleanliness and the, maintenance, repair and replacement of equipment;
- (6) minimum and required standards and specifications for products, equipment, materials, supplies and services that the Decimal Business uses and/or sells, including methods of marketing and supply;
- (7) participation in and requirements for group purchasing programs for certain Operating Assets and/or other products and services that Decimal Businesses use;
- (8) maximum, minimum or other pricing requirements for services that the Decimal Business offers, including requirements for promotions, special offers and discounts in which some or all Decimal Businesses participate, in each case to the maximum extent the law allows;
- (9) requirements for training, qualifications, conduct and appearance of personnel, format and use of materials and supplies (including display of the Marks);
- (10) participation in market research and test programs that Franchisor periodically requires or approves concerning various aspects of the Franchise System, including new or updated procedures, systems, equipment, supplies, resources, marketing materials and strategies, and services;

(11) participation in promotions, including any client loyalty programs and promotions and procedures for resolving complaints that Franchisor periodically specifies or recommends;

(12) payment systems, including through the Computer System or Decimal Web Platform; and

(13) any other aspects of developing, operating and maintaining the Decimal Business that Franchisor determines to be useful to preserve or enhance the efficient operation, image or goodwill of the Marks and Decimal Businesses.

Franchisee acknowledges that Franchisor's periodic modification of the System Standards (including to accommodate changes to the Computer System and the Marks), which may accommodate regional and/or local variations, may obligate Franchisee to invest additional capital in the Decimal Business and incur higher operating costs, and Franchisee agrees to comply with those obligations within the time period Franchisor specifies. Although Franchisor retains the right to establish and periodically modify the Franchise System and System Standards that Franchisee has agreed to follow, Franchisee retains the exclusive responsibility for the day-to-day management and operation of the Decimal Business and implementing and maintaining System Standards at the Decimal Business, including with respect to its employees.

Franchisor and Franchisee agree that any materials, guidance, or assistance that Franchisor provides with respect to the terms and conditions of employment for Franchisee's employees, employee hiring, firing and discipline, and similar employment-related policies or procedures, whether in the Operations Manual or otherwise, are solely for Franchisee's optional use. Those materials, guidance and assistance do not form part of the mandatory System Standards. Franchisee will determine to what extent, if any, these materials, guidance, or assistance should apply to the Decimal Business's employees. Franchisee acknowledges that Franchisor does not dictate or control labor or employment matters for franchisees and their employees and workforces and will not be responsible for the safety and security of Decimal Business employees. Franchisee is solely responsible for determining the terms and conditions of employment for all Decimal Business employees, for all decisions concerning the hiring, firing and discipline of Decimal Business employees, and for all other aspects of the Decimal Business's labor relations and employment practices.

6.H. Minimum Performance Requirements. Franchisee shall satisfy the following minimum performance requirements ("**Performance Requirements**") during the Term:

| Number of Months in Operation | Recurring Monthly Gross Revenues |
|-------------------------------|----------------------------------|
| 1 – 17                        | Not Applicable                   |
| 18 – 24                       | \$15,000                         |
| 25 – 36                       | \$20,000                         |
| 37 – 48                       | \$30,000                         |
| 49 – 60                       | \$36,000                         |
| 61 – end of Term              | \$45,000                         |

Without limiting the foregoing, commencing in the thirty-seventh (37<sup>th</sup>) month after the Opening Date and for the remainder of the Term, at least forty percent (40%) of the Decimal Business's Gross Revenues shall be derived from clients located within the Territory. If Franchisee fails to satisfy Performance Requirements or derive the minimum amount of Gross Revenues from clients in the Territory, then Franchisor may, upon notice to Franchisee, reduce the size of the Territory, eliminate all or part of Franchisee's protective Territory rights, require Franchisee to attend additional training at Franchisee's expense, increase Local Marketing expenditures, or terminate the Agreement.

6.I. Modification of Franchise System. Franchisor reserves the right to vary the Franchise System and/or System Standards for any Decimal Businesses or group of Decimal Businesses based upon the peculiarities of any conditions or factors that Franchisor considers important to its operations. Franchisee has no right to require Franchisor to grant Franchisee a similar variation or accommodation.

## 7. Marketing.

7.A. Initial Launch Marketing. Franchisee agrees, at its expense, to implement a launch marketing plan for the Decimal Business in accordance with the requirements in the Operations Manual and other System Standards. At least ten (10) days before the Decimal Business's planned Opening Date, Franchisee must prepare and submit to Franchisor for its approval a proposed launch marketing plan that covers a period before and after the Opening Date that Franchisor specifies and that contemplates spending at least Three Thousand Dollars (\$3,000). Franchisee must implement the approved launch marketing plan and, if required by Franchisor, provide evidence to Franchisor of Franchisee's approved plan expenditures.

7.B. Brand Development Fund. Franchisor administers and controls a marketing and brand development fund (the "**Brand Development Fund**") for the advertising, marketing, promotional, client relationship management, public relations and other brand-related programs and materials for all or a group of Decimal Businesses that Franchisor periodically deems appropriate. Franchisee agrees to pay Franchisor, via remittance by Decimal Franchise Services, electronic funds transfer, or another payment method Franchisor specifies, and together with each recurring payment of fees on the Payment Day, a contribution to the Brand Development Fund in an amount that Franchisor periodically specifies. As of the Agreement Date, Franchisee must contribute two percent (2%) of Gross Revenues to the Brand Development Fund every week during the Term. Franchisor has the right to increase Franchisee's required weekly contribution to the Brand Development Fund up to three percent (3%) of Gross Revenues upon notice at any time(s) during the Term.

Franchisor has the right to designate and direct all programs that the Brand Development Fund finances, with sole control over the creative and business concepts, materials and endorsements used and their geographic, market and media placement and allocation. The Brand Development Fund may pay for preparing, producing and placing video, audio and written materials, electronic media and Social Media (defined in Section 7.F.); developing, maintaining and administering one or more System Websites, including the Decimal Web Platform, online sales and client retention programs, mobile applications, and other technologies used to reach clients and potential clients; developing, maintaining and administering client services;

administering national, regional, multi-regional and local marketing, advertising, and promotional programs, including purchasing trade journal, direct mail, Internet and other media advertising and using advertising, promotion, and marketing agencies and other advisors to provide assistance; conducting and supporting public and client relations, market research, and other advertising, promotion, marketing and brand-related activities which may include, without limitation, conferences and conventions for the Franchise System. The Brand Development Fund also may reimburse Franchisor, Decimal Franchise Services, and/or their affiliates for expenditures consistent with the Brand Development Fund's purposes that Franchisor periodically specifies. Franchisor also may implement programs that could be financed by the Brand Development Fund, but choose to have them financed through other means, such as direct payments by Franchisee and other participating Decimal Business operators.

Franchisor may account for the Brand Development Fund separately from Franchisor's other funds and will not use the Brand Development Fund to pay any of Franchisor's general operating expenses, except to compensate Franchisor and its affiliates for the reasonable salaries, administrative costs, travel expenses, overhead and other costs Franchisor and they incur in connection with activities performed for the Brand Development Fund and its programs, including conducting market research, preparing advertising and marketing materials, maintaining and administering the System Website and/or Social Media, developing technologies to be used by the Brand Development Fund or its programs, collecting and accounting for Brand Development Fund contributions, and paying taxes on contributions. The Brand Development Fund is not a trust, and Franchisor does not owe Franchisee fiduciary obligations because of Franchisor's maintaining, directing or administering the Brand Development Fund or any other reason. The Brand Development Fund may spend in any fiscal year more or less than the total Brand Development Fund contributions in that year, borrow from Franchisor or others (paying reasonable interest) to cover deficits, or invest any surplus for future use. Franchisor will use all interest earned on Brand Development Fund contributions to pay costs before using the Brand Development Fund's other assets. Franchisor will prepare an annual, unaudited statement of Brand Development Fund collections and expenses and give Franchisee the statement upon written request. Franchisor may have the Brand Development Fund audited periodically at the Brand Development Fund's expense by an independent accountant Franchisor selects. Franchisor may incorporate the Brand Development Fund or operate it through a separate entity whenever Franchisor deems appropriate. The successor entity will have all of the rights and duties specified in this Section 7.B.

Franchisor intends the Brand Development Fund to maximize recognition of the Marks and patronage of Decimal Businesses. Although Franchisor will try to use the Brand Development Fund to develop and/or implement advertising and marketing materials and programs and for other uses (consistent with this Section 7.B.) that will benefit all or certain contributing Decimal Businesses, Franchisor need not ensure that Brand Development Fund expenditures in or affecting any geographic area are proportionate or equivalent to the Brand Development Fund contributions from Decimal Businesses operating in that geographic area, or that any Decimal Business benefits directly or in proportion to the Brand Development Fund contributions that it makes. Franchisor has the right, but no obligation, to use collection agents and institute legal proceedings at the Brand Development Fund's expense to collect Brand Development Fund contributions. Franchisor also may forgive, waive, settle and compromise all claims by or against the Brand Development Fund. Except as expressly provided in this Section 7.B., Franchisor assumes no direct or indirect liability

or obligation to Franchisee for maintaining, directing, or administering the Brand Development Fund.

Franchisor may at any time defer or reduce a Decimal Business's contributions to the Brand Development Fund and, upon at least thirty (30) days' written notice to Franchisee, reduce or suspend Brand Development Fund contributions and/or operations for one or more periods of any length and terminate (and, if terminated, reinstate) the Brand Development Fund. If Franchisor terminates the Brand Development Fund, Franchisor will (at its option) either spend the remaining Brand Development Fund assets in accordance with this Section 7.B. or distribute the unspent assets to Decimal Businesses (including those operated by Franchisor and its affiliates, if applicable) then contributing to the Brand Development Fund in proportion to their contributions during the preceding twelve (12)-month period.

7.C. Local Marketing. Franchisee agrees at its expense to participate in the manner Franchisor periodically specifies in all advertising, marketing, promotional, client relationship management, public relations and other brand-related programs that Franchisor periodically designates for the Decimal Business. Franchisee must ensure that all of its advertising, marketing, promotional, client relationship management, public relations and other brand-related programs and materials that Franchisee or its agents or representatives develop or implement relating to the Decimal Business (collectively, "**Local Marketing**") is completely clear, factual and not misleading, complies with all applicable laws and regulations, and conforms to the highest ethical standards and the advertising and marketing policies that Franchisor periodically specifies. Before using them, Franchisee agrees to send to Franchisor, for its approval, descriptions and samples of all proposed Local Marketing that Franchisor has not prepared or previously approved within the preceding six (6) months. If Franchisee does not receive written notice of approval from Franchisor within five (5) business days after Franchisor receives the materials, they are deemed disapproved. Franchisee may not conduct or use any Local Marketing that Franchisor has not approved or has disapproved. All Local Marketing that Franchisee develops for the Decimal Business must contain notices of the System Website in the manner that Franchisor periodically designates. At Franchisor's option, Franchisee must contract with one or more suppliers that Franchisor designates or approves to develop and/or implement Local Marketing. Franchisor assumes no liability to Franchisee or any other party due to its specifying any programs or materials or its approval or disapproval of any Local Marketing. Franchisee must spend at least a minimum amount on Local Marketing. As of the Agreement Date, each calendar year (prorated for any partial year during the Term) Franchisee must spend on Local Marketing at least Twelve Thousand Dollars (\$12,000) and certify to Franchisor that it has complied with the requirements of this Section 7.C. In any calendar year, or portion thereof, as applicable, that Franchisee fails to comply with the spending requirements contained in this Section 7.C., without limiting Franchisor's other rights and remedies, Franchisee shall contribute to the Brand Development Fund the amount of such shortfall without delay, offset, or demand. Franchisor has the right to increase the amount that Franchisee must spend on Local Marketing by up to ten percent (10%) each year during the Term.

7.D. Advertising Cooperatives. Franchisor may designate a geographic area in which two (2) or more Decimal Businesses are located as an area for an advertising or marketing cooperative (a "**Cooperative**"). The Cooperative's members in any area are the owners of all of the Decimal Businesses located and operating in that area (including Franchisor and its affiliates,

if applicable) that Franchisor has the right to require to participate in the Cooperative. Each Cooperative will be organized and governed in a form and manner, and begin operating on a date, that Franchisor determines. Franchisor may change, dissolve and merge Cooperatives. Each Cooperative's purpose is, with Franchisor's approval, to develop, administer or implement advertising, marketing and promotional materials and programs for the area that the Cooperative covers. If, as of the Agreement Date, Franchisor has established a Cooperative for the geographic area in which the Decimal Business is located, or if Franchisor establishes a Cooperative in that area during the Term, Franchisee agrees to sign the documents that Franchisor requires to become a member of the Cooperative and to participate in the Cooperative as those documents require. Franchisee agrees to contribute to the Cooperative the amounts that the Cooperative determines.

All material decisions of the Cooperative, including contribution levels (which also require Franchisor's approval), will require the affirmative vote of more than fifty percent (50%) of all Decimal Businesses that are required to participate in the Cooperative (including, if applicable, those operated by Franchisor or its affiliate), with each Decimal Business receiving one (1) vote. Franchisee agrees to send Franchisor and the Cooperative any reports that Franchisor or the Cooperative periodically requires. The Cooperative will operate solely to collect and spend Cooperative contributions for the purposes described above. The Cooperative and its members may not use any advertising, marketing or promotional programs or materials that Franchisor has not approved.

7.E. System Website. Franchisor or one or more of its designees may establish a website or series of websites or similar technologies, including mobile applications and other technological advances that perform functions similar to those performed on traditional websites, for the Decimal Business network to advertise, market and promote Decimal Businesses, the products and services they offer, and the Decimal Business franchise opportunity; to facilitate the operations of Decimal Businesses; and/or for any other purposes that Franchisor determines is appropriate for Decimal Businesses (those websites, applications and other technological advances, including the Decimal Web Platform, are collectively called the “**System Website**”). If Franchisor includes information about the Decimal Business on the System Website, then Franchisee agrees to give Franchisor the information and materials that Franchisor periodically requests concerning the Decimal Business and otherwise participate in the System Website in the manner that Franchisor periodically specifies. Franchisor has the final decision concerning all information and functionality that appears on the System Website and will update or modify the System Website according to a schedule that Franchisor determines. By posting or submitting to Franchisor information or materials for the System Website, Franchisee is representing to Franchisor that the information and materials are accurate and not misleading and do not infringe any third party's rights. Franchisee must notify Franchisor whenever any information about Franchisee or the Decimal Business on the System Website changes or is not accurate.

Franchisor or its affiliate owns all intellectual property and other rights in the System Website and all information it contains, including the domain name or URL for the System Website and all subsidiary websites, the log of “hits” by visitors, and any personal or business data that visitors (including Franchisee, its personnel and its clients) supply. Franchisor may use the Brand Development Fund's assets to develop, maintain, support and update the System Website. Franchisor may implement and periodically modify System Standards relating to the System

Website and, at Franchisor's option, may discontinue all or any part of the System Website, or any services offered through the System Website, at any time.

Franchisee may not develop, maintain or authorize any other website, other online presence or other electronic medium (such as mobile applications, kiosks and other interactive properties or technology-based programs) that mentions or describes Franchisee, the Decimal Business or its products or services or that displays any of the Marks. Except for the System Website (if applicable), Franchisee may not conduct commerce or directly or indirectly offer or sell any products or services using any website, another electronic means or medium, or otherwise over the Internet or using any other technology-based program without Franchisor's prior written approval.

Nothing in this Section 7.E. shall limit Franchisor's right to maintain websites and technologies other than the System Website or to offer and sell products or services under the Marks from the System Website, another website or technology, or otherwise over the Internet (including to the Decimal Business's clients and prospective clients) without payment or obligation of any kind to Franchisee.

7.F. Social Media. Franchisee agrees to comply with Franchisor's policies and requirements (as Franchisor periodically modifies them) concerning blogs, common social networks like Facebook, professional networks like LinkedIn, live-blogging tools like X, virtual worlds, file, audio and video sharing sites and applications like Pinterest, Instagram and TikTok, and other similar social networking or media sites or tools (collectively, "**Social Media**") that in any way reference the Marks or involve the Decimal Business. Franchisee acknowledges that these policies may involve prohibitions on Franchisee's and its representatives' use of Social Media in connection with the Marks or the Decimal Business.

## **8. Records, Reports and Financial Statements**

Franchisee agrees to establish and maintain at its own expense a bookkeeping, accounting and recordkeeping system conforming to the requirements and formats that Franchisor periodically specifies. Franchisor may require Franchisee to use the Computer System to maintain certain sales and expense data, financial statements, Client Data and other information, in the formats that Franchisor periodically specifies, and to transmit that data and information to Franchisor on a schedule that Franchisor periodically specifies. At Franchisor's option, the Computer System must allow Franchisor and or its designee unlimited, independent access to, and the ability to download, all information in the Computer System at any time, other than records relating to labor relations and employment practices for Decimal Business employees (collectively, "**Employment Records**"). At Franchisor's request, Franchisee must retain and use, at Franchisee's expense, the services of an accountant or accounting firm that Franchisor approves or designates.

Franchisee also agrees to give Franchisor in the manner and format that Franchisor periodically specifies:

- (a) on or before the Payment Day of each week, a report on the Decimal Business's Gross Revenues during the previous week;

(b) within fifteen (15) days after the end of each month, monthly and year-to-date profit and loss and source and use of funds statements and a balance sheet for the Decimal Business as of the end of the previous month; and

(c) within fifteen (15) days after Franchisor's request, exact copies of federal and state income and other tax returns and any other forms, records, reports and other information that Franchisor periodically requires relating to the Decimal Business or Franchisee, other than Employment Records.

Franchisee agrees to certify or validate each report and financial statement in the manner that Franchisor periodically specifies. Franchisor may disclose data derived from these reports, including by creating and circulating reports on the financial results of the Decimal Business and/or some or all other Decimal Businesses to other Decimal Business owners and prospective franchisees.

Franchisee agrees to preserve and maintain all records in a secure location at the Decimal Business or other safe location during the Term and for at least five (5) years afterward. If Franchisor determines that Franchisee has failed to comply with Franchisee's reporting or payment obligations under this Agreement, including by submitting any false reports, Franchisor may require Franchisee to have audited financial statements prepared annually by a certified public accountant at Franchisee's expense during the remaining Term, in addition to Franchisor's other remedies and rights under the Agreement and applicable law.

## **9. Inspections, Evaluations and Audits.**

9.A. Inspections and Evaluations. To determine whether Franchisee and the Decimal Business are complying with this Agreement and all System Standards, Franchisor and its designated agents and representatives may at all times, and without prior notice to Franchisee: (a) inspect the Decimal Business and any aspect of its operations; (b) examine and copy the Decimal Business's business, bookkeeping and accounting records, tax records and returns, and other records and documents (other than Employment Records); (c) observe or otherwise monitor and/or evaluate (or have Franchisee or a third party observe, or otherwise monitor and/or evaluate), whether on-premises or remotely, the Decimal Business's operation, including both disclosed and undisclosed or so-called "mystery shopping" evaluations of Decimal Business operations, for consecutive or intermittent periods Franchisor deems necessary; and (d) discuss matters with the Decimal Business's personnel, clients and prospective clients. Franchisee agrees to cooperate with Franchisor and its designated agents and representatives fully. If Franchisor exercises any of these rights, Franchisor will use commercially reasonable efforts not to interfere unreasonably with the Decimal Business's operation. Franchisee agrees that Franchisee's failure to achieve the minimum quality scores (as described in the Operations Manual) or otherwise satisfy Franchisor's System Standards in any quality assurance inspection or evaluation conducted with respect to the Decimal Business is a default under this Agreement. Without limiting Franchisor's other rights and remedies under this Agreement, Franchisee agrees promptly to correct at its expense all failures to comply with this Agreement (including any System Standards) that Franchisor's inspectors note within the period Franchisor specifies following Franchisee's receipt of Franchisor's notice, which might include Franchisee's personnel completing additional training at its expense or Franchisor

conducting additional inspections or evaluations, for which Franchisor may charge Franchisee a reasonable fee.

9.B. Audits. Franchisor may at any time during Franchisee's business hours, and without prior notice to Franchisee, examine the Decimal Business's business, bookkeeping and accounting records, tax records and returns, and other records (other than Employment Records). Franchisee agrees to fully cooperate with Franchisor's representatives and/or any independent accountants Franchisor hires to conduct any such inspection or audit. If any inspection or audit discloses an understatement of the Decimal Business's Gross Revenues, Franchisee must pay Franchisor, within fifteen (15) days after receiving the inspection or audit report, the Royalty Fees, Brand Development Fund contributions, DSP Fees, and any other amounts due on the amount of the understatement, plus interest (in the amount applicable to late payments) from the date originally due until the date of payment. If Franchisor reasonably determines that an inspection or audit is necessary due to Franchisee's failure to furnish reports, supporting records or other information as required, or to furnish these items on a timely basis, or if Franchisor's examination reveals a Royalty Fee, Brand Development Fund contribution, or DSP Fees understatement exceeding two percent (2%) of the amount that Franchisee actually reported to Franchisor for the period examined, Franchisee agrees to reimburse Franchisor for the cost of its examination, including legal fees and independent accountants' fees, plus the travel expenses, room and board, and compensation of Franchisor's employees and representatives. These remedies are in addition to Franchisor's other remedies and rights under this Agreement and applicable law.

9.C. Mystery Client Program. Franchisor may require Franchisee to participate in a mystery client service program to ensure Franchisee's compliance with the Franchise System and Franchisor's client service standards. Franchisor may specify mystery services that Franchisee must engage at Franchisee's expense, or Franchisor may engage the mystery service on Franchisee's behalf, in which case Franchisee must pay Franchisor a reasonable fee that Franchisor will specify. Franchisee must share the results of any mystery services program with Franchisor and must promptly address any deficiencies identified in any such report.

## 10. Marks.

10.A. Ownership and Goodwill of Marks. Franchisee's right to use the Marks is derived only from this Agreement and is limited to Franchisee's operating the Decimal Business at the Site according to this Agreement and all System Standards Franchisor implements during the Term. Franchisee's unauthorized use of the Marks is a breach of this Agreement and infringes Franchisor's and its licensor's rights in the Marks. Franchisee's use of the Marks and any goodwill established by that use are for Franchisor's and its licensor's exclusive benefit, and this Agreement does not confer any goodwill or other interests in the Marks upon Franchisee (other than the right to operate the Decimal Business under this Agreement). All provisions of this Agreement relating to the Marks apply to any additional and substitute trademarks and service marks that Franchisor periodically authorizes Franchisee to use. Franchisee may not at any time during or after the Term contest or assist any other person or Entity in contesting the validity, or Franchisor's and its licensor's ownership, of the Marks.

10.B. Limitations on Franchisee's Use of Marks. Franchisee agrees to use the Marks as the Decimal Business's sole identification, subject to the notices of independent ownership and

operation that Franchisor periodically designates. Franchisee may not use any Mark (1) as part of any corporate or legal business name, (2) with any prefix, suffix or other modifying words, terms, designs or symbols (other than logos Franchisor has licensed to Franchisee), (3) in selling any unauthorized services or products, (4) as part of any domain name, electronic address, metatag or otherwise in connection with any Social Media, website or other electronic medium without Franchisor's consent, or (5) in any other manner Franchisor has not expressly authorized in writing. Franchisee may not use any Mark in advertising the transfer, sale or other disposition of the Decimal Business or any direct or indirect Ownership Interest in Franchisee without Franchisor's prior written consent, which Franchisor will not unreasonably withhold. Franchisee agrees to display the Marks prominently as Franchisor periodically specifies at the Decimal Business and on forms, advertising, supplies, and other materials Franchisor periodically designates. Franchisee agrees to give the notices of trademark and service mark registrations that Franchisor periodically specifies and to obtain any fictitious or assumed name registrations required under applicable law.

10.C. Notification of Infringements and Claims. Franchisee agrees to notify Franchisor immediately of any actual or apparent infringement of or challenge to Franchisee's use of any Mark, or of any person's claim of any rights in any Mark, and not to communicate with any person other than Franchisor, its licensor, and its and its licensor's attorneys, and Franchisee's attorneys, regarding any infringement, challenge or claim. Franchisor or its licensor may take the action that Franchisor or it deems appropriate (including no action) and control exclusively any litigation, U.S. Patent and Trademark Office proceeding or other proceeding arising from any infringement, challenge or claim or otherwise concerning any Mark. Franchisee agrees to sign any documents and take any reasonable actions that, in the opinion of Franchisor's attorneys, are necessary or advisable to protect and maintain Franchisor's and its licensor's interests in any litigation or Patent and Trademark Office or other proceeding or otherwise to protect and maintain Franchisor's and its licensor's interests in the Marks. At its option, Franchisor or its licensor may defend and control the defense of any litigation or proceeding relating to any Mark.

10.D. Discontinuance of Use of Marks. If Franchisor believes at any time that it is advisable for Franchisor and/or Franchisee to modify or discontinue using any Mark and/or use one or more additional or substitute trademarks or service marks, Franchisee agrees to comply with Franchisor's directions within a reasonable time after receiving notice. Franchisor need not reimburse Franchisee for its expenses in complying with these directions (such as costs Franchisee incurs in replacing supplies), for any loss of revenue due to any modified or discontinued Mark, or for Franchisee's expenses of promoting a modified or substitute trademark or service mark.

10.E. Indemnification for Use of Marks. Franchisor agrees to reimburse Franchisee for all damages and expenses Franchisee incurs or for which Franchisee is liable in any proceeding challenging Franchisee's right to use any Mark under this Agreement, provided Franchisee's use has been consistent with this Agreement, the Operations Manual and System Standards and Franchisee has timely notified Franchisor of, and comply with Franchisor's directions in responding to, the proceeding.

## 11. Confidential Information, Client Data and Innovations.

11.A. Confidential Information. Franchisor and its affiliates possess (and will continue to develop and acquire) certain confidential information relating to the development and operation of Decimal Businesses (the “**Confidential Information**”), including:

- (1) development plans and site selection criteria for Decimal Businesses;
- (2) methods, formats, specifications, standards, systems, procedures, sales and marketing techniques, knowledge and experience used in developing and operating Decimal Businesses;
- (3) marketing research and promotional, marketing, advertising, public relations, client relationship management and other brand-related materials and programs for Decimal Businesses;
- (4) knowledge of specifications for and suppliers of, and methods of ordering, certain Operating Assets and other products that Decimal Businesses use;
- (5) knowledge of the operating results and financial performance of Decimal Businesses other than the Decimal Business;
- (6) training materials and videos;
- (7) the Computer System;
- (8) client communication and retention programs, along with data used or generated in connection with those programs, including Client Data; and
- (9) any other information Franchisor reasonably designates from time to time as confidential or proprietary.

Franchisee acknowledges and agrees that by entering into this Agreement or operating the Decimal Business, Franchisee will not acquire any interest in Confidential Information, other than the right to use certain Confidential Information that Franchisor periodically designates in operating the Decimal Business during the Term and according to the System Standards and this Agreement’s terms and conditions, and that Franchisee’s use of any Confidential Information in any other business would constitute an unfair method of competition with Franchisor and its franchisees. Franchisor and its affiliates own all right, title and interest in and to the Confidential Information. Franchisee further acknowledges and agrees that the Confidential Information is proprietary, includes Franchisor’s trade secrets, and is disclosed to Franchisee only on the condition that Franchisee and its Owners agree, and Franchisee and they do agree, that Franchisee and its Owners:

- (a) will not use any Confidential Information in any other business or capacity, whether during or after the Term;

(b) will keep the Confidential Information absolutely confidential, both during the Term and thereafter for as long as the information is not in the public domain;

(c) will not make unauthorized copies of any Confidential Information disclosed in written or other tangible or intangible form;

(d) will adopt and implement all reasonable procedures that Franchisor periodically designates to prevent unauthorized use or disclosure of Confidential Information, including restricting its disclosure to Decimal Business personnel and others needing to know such Confidential Information to operate the Decimal Business, and using confidentiality agreements with those having access to Confidential Information. Franchisor has the right to regulate the form of agreement that Franchisee uses and to be a third party beneficiary of that agreement with independent enforcement rights; and

(e) will not sell, trade or otherwise profit in any way from the Confidential Information, except during the Term using methods Franchisor approves.

“Confidential Information” does not include information, knowledge or know-how that is or becomes generally known in the bookkeeping or accounting industry (without violating an obligation to Franchisor or its affiliate) or that Franchisee knew from previous business experience before Franchisor provided it to Franchisee (directly or indirectly) or before Franchisee began training or operating the Decimal Business. If Franchisor includes any matter in Confidential Information, anyone who claims that it is not Confidential Information must prove that the exclusion in this paragraph is fulfilled.

11.B. Client Data. Franchisee must comply with Franchisor’s System Standards, other directions from Franchisor, prevailing industry standards (including payment card industry data security standards), all contracts to which Franchisee is a party or otherwise bound, and all applicable laws and regulations, as any of them may be modified from time to time, regarding the organizational, physical, administrative and technical measures and security procedures to safeguard the confidentiality and security of Client Data on Franchisee’s Computer System or otherwise in Franchisee’s possession or control and, in any event, employ reasonable means to safeguard the confidentiality and security of Client Data. “**Client Data**” means names, contact information, financial information, purchasing history and other personal information of or relating to the Decimal Business’s clients and prospective clients. If there is a suspected or actual breach of security or unauthorized access involving Franchisee’s Client Data (a “**Data Security Incident**”), Franchisee must notify Franchisor immediately after becoming aware of such actual or suspected occurrence and specify the extent to which Client Data was compromised or disclosed. Franchisee must comply with Franchisor’s instructions in responding to any Data Security Incident. Franchisor has the right, but no obligation, to control the direction and handling of any Data Security Incident and any related investigation, litigation, administrative proceeding or other proceeding at Franchisee’s expense.

Franchisor and its affiliates may, through the Computer System or otherwise, have access to Client Data. During and after the Term, Franchisor and its affiliates may make any and all disclosures and use the Client Data in its and their business activities and in any manner that Franchisor or they deem necessary or appropriate. Franchisee must secure from its vendors,

clients, prospective clients, and others all consents and authorizations, and provide them all disclosures, that applicable law requires to transmit the Client Data to Franchisor and its affiliates and for Franchisor and its affiliates to use that Client Data in the manner that this Agreement contemplates.

11.C. Innovations. All ideas, concepts, techniques or materials relating to a Decimal Business (collectively, “**Innovations**”), whether or not protectable intellectual property and whether created by or for Franchisee or its Owners, employees or contractors, must be promptly disclosed to Franchisor and will be deemed to be Franchisor’s sole and exclusive property, part of the Franchise System, and works made-for-hire for Franchisor. To the extent any Innovation does not qualify as a work made-for-hire for Franchisor, by this paragraph Franchisee assigns ownership of that Innovation, and all related rights to that Innovation, to Franchisor and agrees to sign (and to cause its Owners, employees and contractors to sign) whatever assignment or other documents Franchisor requests to evidence its ownership or to help Franchisor obtain intellectual property rights in the Innovation. Franchisor and its affiliates have no obligation to make any payments to Franchisee or any other person with respect to any Innovations. Franchisee may not use any Innovation in operating the Decimal Business or otherwise without Franchisor’s prior approval.

## 12. Exclusive Relationship.

Franchisee acknowledges that Franchisor has granted Franchisee the rights under this Agreement in consideration of and reliance upon Franchisee’s and its Owners’ agreement to deal exclusively with Franchisor in connection with the business of bookkeeping and accounting services. Franchisee therefore agrees that, during the Term, neither Franchisee nor any of its Owners, directors or officers, nor any members of Franchisee’s or their Extended Families (defined below), will:

(a) have any direct or indirect, controlling or non-controlling Ownership Interest – whether of record, beneficial or otherwise – in a Competitive Business (defined below), wherever located or operating, provided that this restriction will not apply to the ownership of shares of a class of securities which are publicly traded on a United States stock exchange representing less than five percent (5%) of the number of shares of that class of securities issued and outstanding;

(b) perform services as a director, officer, manager, teacher, employee, consultant, representative or agent for a Competitive Business, wherever located or operating;

(c) directly or indirectly loan any money or other thing of value to, or guarantee any other person’s loan to, or lease any real or personal property to, any Competitive Business (whether directly or indirectly through any owner, director, officer, manager, employee or agent of any Competitive Business), wherever located or operating; or

(d) divert or attempt to divert any actual or potential business or client of the Decimal Business to a Competitive Business.

The term “**Competitive Business**” means (1) a business the offers bookkeeping, tax, bill pay, custom reporting, invoicing support, financial reporting, payroll support, or advisory services related to any of the foregoing, or any other accounting services; or (2) any entity that grants franchises or licenses for any of the foregoing types of business, other than a Decimal Business operated under a franchise agreement with Franchisor. The term “**Extended Family**” includes the named individual, his or her spouse, all children of the named individual or his or her spouse, and the named individual’s parents, siblings, aunts, uncles, nieces, nephews, cousins, grandparents, great-grandparents, grandchildren and great-grandchildren, including “step” or “in-law” relations for the same relationships as applicable.

### **13. Transfer.**

13.A. Transfer by Franchisor. Franchisee represents that it has not signed this Agreement in reliance on any direct or indirect owner’s, officer’s or employee’s remaining with Franchisor in that capacity. Franchisor may change its ownership or form and/or assign this Agreement and any other agreement between Franchisor and Franchisee (or any of Franchisee’s owners or affiliates) without restriction. This Agreement and any other agreement will inure to the benefit of any transferee or other legal successor to Franchisor’s interest in it. After Franchisor’s assignment of this Agreement to a third party who expressly assumes its obligations under this Agreement, Franchisor no longer will have any performance or other obligations under this Agreement. Such an assignment shall constitute a release of Franchisor and novation with respect to this Agreement, and the assignee shall be liable to Franchisee as if it had been an original party to this Agreement.

13.B. Transfer by Franchisee – Defined. Franchisee understands and acknowledges that the rights and duties this Agreement creates are personal to Franchisee and its Owners as of the Agreement Date and that Franchisor has granted Franchisee the rights under this Agreement in reliance upon Franchisor’s perceptions of Franchisee’s and its Owners’ individual or collective character, skill, aptitude, attitude, business ability, acumen, and financial capacity. Accordingly, neither a Control Transfer (defined below) nor a Non-Control Transfer (defined below) may be consummated without Franchisor’s prior written approval and satisfying the applicable conditions of this Section 13, subject to Franchisor’s right of first refusal under Section 13.H. A transfer of the ownership, possession or control of the Decimal Business, client contracts of the Decimal Business, or the Operating Assets may be made only with a transfer of this Agreement. Any transfer without Franchisor’s approval is a breach of this Agreement and has no effect.

In this Agreement, “**Control Transfer**” means (i) any transfer (as defined below) of this Agreement or any interest in or rights or obligations under this Agreement, or of the Decimal Business or all or substantially all of the Operating Assets, or client contracts of the Decimal Business; or (ii) any transfer or other transaction, or a series of transfers or other transactions (regardless of the period of time over which they take place), which results in the transfer or creation of a Controlling Ownership Interest in Franchisee, whether directly or indirectly. “**Controlling Ownership Interest**” means either (x) fifty percent (50%) or more of the direct or indirect Ownership Interests in Franchisee, or (y) any Ownership Interest or other direct or indirect right or interest in Franchisee that provides the right, power or authority, whether alone or together with others, to direct and control Franchisee’s management and policies. “**Non-Control Transfer**” means the transfer or creation of any direct or indirect Ownership Interest in Franchisee that is not a Control Transfer.

In this Agreement, the term “**transfer**,” whether or not capitalized, includes any voluntary, involuntary, direct or indirect assignment, sale, gift or other disposition and includes the following events, whether they impact Franchisee (or its Owners) directly or indirectly:

- (1) transfer of record or beneficial ownership of any Ownership Interest or the right to receive all or a portion of Franchisee’s profits or losses or any capital appreciation relating to Franchisee or the Decimal Business (whether directly or indirectly);
- (2) a merger, consolidation or exchange of Ownership Interests, or issuance of additional Ownership Interests or securities representing or potentially representing Ownership Interests, or a redemption of Ownership Interests;
- (3) any sale or exchange of voting interests or securities convertible to voting interests, or any management agreement or other arrangement granting the right to exercise or control the exercise of the voting rights of any Owner or to control Franchisee’s or the Decimal Business’s operations or affairs or the rights or responsibilities of the Operating Principal;
- (4) transfer of a direct or indirect Ownership Interest or other interest in Franchisee, this Agreement, the Operating Assets, or the Decimal Business in a divorce, insolvency or entity dissolution proceeding, or otherwise by operation of law;
- (5) if Franchisee or one of its Owners dies, transfer of a direct or indirect Ownership Interest or other interest in Franchisee, this Agreement, the Operating Assets, or the Decimal Business by will, declaration of or transfer in trust, or under the laws of intestate succession; or
- (6) the grant of a mortgage, charge, pledge, collateral assignment, lien or security interest in any Ownership Interest or other interest in Franchisee, this Agreement, the Decimal Business or the Operating Assets; foreclosure upon or attachment or seizure of the Decimal Business or any of its Operating Assets; or Franchisee’s transfer, surrender or loss of the possession, control or management of all or any material portion of the Decimal Business (or its operation) or Franchisee.

13.C. Conditions for Approval of Non-Control Transfer. Franchisor will not unreasonably withhold its approval of a Non-Control Transfer if:

- (1) Franchisee is then in compliance with all of its obligations under this Agreement and all other agreements with Franchisor or its affiliate;
- (2) Franchisee provides Franchisor written notice of the proposed transfer and all information Franchisor reasonably requests concerning the proposed transferee, its direct and indirect owners (if the proposed transferee is an Entity) and the transfer at least thirty (30) days before its effective date;

(3) Franchisee and Operating Principal sign a general release, in a form satisfactory to Franchisor, of any and all claims against Franchisor and its affiliates and its and their respective owners, officers, directors, employees, representatives, agents, successors and assigns;

(4) the proposed transferee and its direct and indirect owners (if the proposed transferee is an Entity) have no direct or indirect Ownership Interest in and do not perform services for a Competitive Business and meet Franchisor's then applicable standards for non-controlling owners of Decimal Business franchisees;

(5) beginning when the transfer closes, Franchisee's transferring Owners agree to comply with Sections 16.B.(2), 16.C. and 16.D.;

(6) Franchisee pays Franchisor a transfer fee of twenty-five percent (25%) of Franchisor's then-current initial franchise fee to partially cover some of Franchisor's costs and expenses incurred in evaluating the transferee and the transfer (in addition to any other transfer or other fees payable under any other franchise agreement, or other agreement with Franchisor or its affiliate); and

(7) Franchisee and its Owners sign the form of agreement and related documents (including Guarantees) that Franchisor then specifies to reflect Franchisee's new ownership structure.

13.D. Conditions for Approval of Control Transfer. Subject to Section 13.H., Franchisor will not unreasonably withhold its approval of a Control Transfer if:

(1) Franchisee and its Owners satisfy the conditions in Sections 13.C.(1) through (5);

(2) the transferee (or its direct or indirect owners) and its management personnel, if they are different from Franchisee's management personnel, including any new Operating Principal and Accounting Principal, satisfactorily complete Franchisor's then current initial training program applicable to the individual's position, which at Franchisor's option might include both preliminary training before the transfer's closing and additional training after the transfer's closing;

(3) the transferee (if the transfer is of this Agreement) or Franchisee (if the transfer is of a direct or indirect Ownership Interest in Franchisee) agrees to repair and/or replace the Operating Assets and upgrade the Decimal Business in accordance with Franchisor's then current requirements and specifications for new similarly situated Decimal Businesses within the time period that Franchisor specifies following the effective date of the transfer;

(4) the transferee (if the transfer is of this Agreement) or Franchisee (if the transfer is of a direct or indirect Ownership Interest in Franchisee) agrees, at Franchisor's option, to (a) be bound by all terms and conditions of this Agreement for the remainder of the term, or (b) sign Franchisor's then current form of franchise agreement and related

documents, which may contain terms and conditions (including the fees) that differ materially from any or all of those in this Agreement, except that the term of such franchise agreement shall be the remaining term of this Agreement;

(5) Franchisee pays Franchisor a nonrefundable transfer fee deposit of Five Thousand Dollars (\$5,000) upon Franchisee's request for Franchisor's consent to the transfer;

(6) Franchisee pays Franchisor a transfer fee (in addition to any other transfer or other fees payable under any other franchise agreement, or other agreement with Franchisor or its affiliate) on or before the transfer's closing of an amount (to which the transfer fee deposit referenced in Section 13.D(5) shall be applied) equal to (a) seventy-five percent (75%) of the then current initial franchise fee, if the transferee is not at the time of the transfer a franchisee in the Franchise System, or (b) fifty percent (50%) of the then current initial franchise fee, if the transferee is at the time of the transfer a franchisee in the Franchise System;

(7) Franchisor has determined that the purchase price and payment terms will not adversely affect the operation of the Decimal Business, and if Franchisee or its Owners finance any part of the purchase price, Franchisee and they agree that all obligations under promissory notes, agreements or security interests reserved in the Decimal Business are subordinate to the transferee's obligation to pay all amounts due to Franchisor and its affiliates and otherwise to comply with this Agreement.

If the proposed transfer is to or among Franchisee's Owners or Immediate Family members, then Subsection (5) will not apply, although Franchisee must reimburse Franchisor for the costs Franchisor incurs in the transfer, up to the amount of the aggregate transfer fee payable in connection with the transfer. The term "**Immediate Family**" includes the named individual, his or her spouse, and all children of the named individual or his or her spouse. At Franchisor's sole option, Franchisor may review all information regarding the Decimal Business that Franchisee or its Owners give the transferee and give the transferee copies of any reports that Franchisee has given Franchisor or Franchisor has made regarding the Decimal Business. Franchisee acknowledges that Franchisor has legitimate reasons to evaluate the qualifications of potential transferees (and their direct and indirect owners) and the terms of the proposed transfer, and that Franchisor's contact with potential transferees (and their direct and indirect owners) to protect Franchisor's business interests will not constitute tortious, improper or unlawful conduct.

13.E. Transfer to a Wholly-Owned Entity. Despite Section 13.D., if Franchisee is in full compliance with this Agreement, then upon at least ten (10) days' prior written notice to Franchisor, Franchisee may transfer this Agreement, together with the Operating Assets and all other assets associated with the Decimal Business, to an Entity which conducts no business other than the Decimal Business and, if applicable, other Decimal Businesses and of which Franchisee owns and controls one hundred percent (100%) of the equity and voting power of all Ownership Interests, provided that all of the Decimal Business's assets are owned, and the Decimal Business's business is conducted, only by that single Entity. Transfers of direct and indirect Ownership Interests in that Entity are subject to all of the restrictions in this Section 13. Franchisee (including, if Franchisee is a group of individuals, any individual who will not have an Ownership Interest in

the transferee Entity), its Owners, and the transferee Entity must sign the form of agreement and related documents (including Guarantees) that Franchisor then specifies to reflect the assignment of this Agreement to the transferee Entity and a general release, in a form satisfactory to Franchisor, of any and all claims against Franchisor and its affiliates and its and their respective owners, officers, directors, employees, representatives, agents, successors and assigns.

13.F. Death or Disability. Upon Franchisee's Owner's death or disability, the Owner's executor, administrator, conservator, guardian or other personal representative must transfer Franchisee's interest in this Agreement, the Operating Assets and the Decimal Business, or such Owner's direct or indirect Ownership Interest in Franchisee, to a third party whom Franchisor approves. That transfer (including transfer by bequest or inheritance) must occur within a reasonable time, not to exceed six (6) months from the date of death or disability, and is subject to all of the terms and conditions in this Section 13. A failure to transfer such interest within this time period is a breach of this Agreement. The term "**disability**" means a mental or physical disability, impairment or condition that is reasonably expected to prevent or actually does prevent the Owner from supervising Franchisee's or the Decimal Business's management and operation for thirty (30) or more consecutive days.

13.G. Effect of Consent to Transfer. Franchisor's consent to any transfer is not a representation of the fairness of the terms of any contract between Franchisee (or its Owner(s)) and the transferee, a guarantee of the Decimal Business's or transferee's prospects of success, or a waiver of any claims Franchisor has against Franchisee (or its Owners) or of Franchisor's right to demand the transferee's full compliance with this Agreement's terms or conditions.

13.H. Franchisor's Right of First Refusal. If Franchisee or any of its Owners at any time determines to engage in a Control Transfer, whether in one transfer or a series of related transfers, Franchisee agrees to obtain from a responsible and fully disclosed buyer, and send Franchisor, a true and complete copy of a bona fide, executed written offer relating exclusively to an interest in this Agreement and the Decimal Business (and its assets) or a direct or indirect Ownership Interest in Franchisee. To be a valid, bona fide offer, the offer must include details of the payment terms of the proposed sale and the sources and terms of any financing for the proposed purchase price, the proposed purchase price must be in a fixed dollar amount and without any contingent payments of purchase price (such as earn-out payments), and the proposed transaction must relate exclusively to an interest in this Agreement and the Decimal Business (and its assets) or a direct or indirect Ownership Interest in Franchisee and not to any other interests or assets.

Franchisor may, by delivering written notice to Franchisee within thirty (30) days after Franchisor receives both an exact copy of the offer and all other information it requests, elect to purchase the interest for the price and on the terms and conditions contained in the offer, provided that: (1) Franchisor may substitute cash for any form of consideration proposed in the offer; (2) Franchisor's credit will be deemed equal to the credit of any proposed buyer; (3) the closing will be not less than sixty (60) days after notifying Franchisee of its election to purchase or, if later, the closing date proposed in the offer, provided that Franchisor may delay the closing until it obtains all necessary licenses and permits to operate the Decimal Business; and (4) Franchisor must receive, and Franchisee and its Owners agree to make, all customary representations, warranties and indemnities given by the seller of the assets of a business or Ownership Interests in an Entity, as applicable, including representations and warranties regarding ownership and condition of, and

title to, assets and Ownership Interests, liens and encumbrances on assets, validity of contracts and agreements, and the liabilities, contingent or otherwise, relating to the assets or Ownership Interests being purchased, and indemnities for all actions, events and conditions that existed or occurred in connection with the Decimal Business or Franchisee's business prior to the closing of Franchisor's purchase. If Franchisor does not exercise its right of first refusal, Franchisee or its Owners may complete the sale to the proposed buyer on the original offer's terms, but only if Franchisor approves the transfer as provided in this Section 13. If Franchisee does not complete the sale to the proposed buyer (with Franchisor's approval) within sixty (60) days after Franchisor notifies Franchisee that Franchisor does not intend to exercise its right of first refusal, or if there is a material change in the terms of the offer (which Franchisee must tell Franchisor promptly), Franchisor will have an additional right of first refusal during the thirty (30)-day period following either the expiration of the sixty (60)-day period or Franchisor's receipt of notice of the material change in the offer's terms, either on the terms originally offered or the modified terms, at Franchisor's option.

Franchisor may assign its right of first refusal under this Section 13.H. to any Entity (who may be Franchisor's affiliate), and that Entity will have all of the rights and obligations under this Section 13.H.

#### **14. Successor Franchise Rights.**

14.A. Exercise of Successor Franchise Right. When this Agreement expires (unless it is terminated sooner), if Franchisee satisfies the conditions of this Section 14, Franchisee will have the right to acquire a successor franchise to continue operating the Decimal Business as a Decimal Business for two (2) successor franchise terms of five (5) years each (each, a "**Successor Term**"). However, Franchisee's right to a successor franchise shall only apply if: (1) Franchisee delivers Franchisor written notice of its election to acquire a successor franchise (the "**Successor Franchise Notice**") at least twelve (12) months, but not more than eighteen (18) months, before the end of the Term or the first Successor Term, as applicable; (2) Franchisee has substantially complied with this Agreement throughout the Term and, if applicable, the first Successor Term, and is, both on the date Franchisee gives Franchisor the Successor Franchise Notice and on the date on which the applicable Successor Term commences, in full compliance with this Agreement, including all System Standards; and (3) on or before the date upon which the applicable Successor Term commences, Franchisee has added or replaced Operating Assets, and otherwise modified the Decimal Business as Franchisor then requires in order to meet Franchisor's then current requirements for new similarly situated Decimal Businesses.

14.B. Successor Franchise Documents. If Franchisee has satisfied all of the conditions under Section 14.A. to acquire the successor franchise, then on or before the date upon which this Agreement expires, Franchisee and its Owners must:

- (1) sign Franchisor's then current form of franchise agreement and related documents to operate the Decimal Business for the applicable Successor Term, the provisions of which (including the fees and the rights in, and geographic area comprising, the Territory) may differ materially from any and all of those contained in this Agreement, modified to reflect the fact it is for a successor franchise, except that the term shall be five (5) years and (a) for the first Successor Term, it shall grant the right to obtain one (1)

additional five (5)-year Successor Term (subject to satisfaction of certain conditions) and (b) for the second Successor Term, it shall not grant any rights to a renewal or successor franchise;

(2) pay Franchisor, instead of the initial franchise fee under such successor franchise agreement, a successor franchise fee in an amount equal to fifteen percent (15%) of such initial franchise fee; and

(3) sign a general release in the form that Franchisor specifies as to any and all claims against Franchisor, its affiliates, and its and their respective owners, officers, directors, employees, agents, representatives, successors and assigns.

14.C. Holdover. If this Agreement expires without the grant of a successor franchise and Franchisee fails or refuses to comply with the post-expiration obligations under Section 16, then without limiting Franchisor's other rights and remedies under this Agreement and applicable law, Franchisor may, at its sole option, treat the Term as extended on a week-to-week basis until either Franchisor or Franchisee delivers written notice to the other ending such extension.

## **15. Termination of Agreement**

15.A. Termination by Franchisee. Franchisee may terminate this Agreement if Franchisor commits a material breach of any of its obligations under this Agreement and fails to correct such breach within thirty (30) days after Franchisee's delivery of written notice to Franchisor of such breach; provided, however, that if Franchisor cannot reasonably correct the breach within this thirty (30)-day period but provides Franchisee, within this thirty (30)-day period, with reasonable evidence of Franchisor's effort to correct the breach within a reasonable time period, then the cure period shall run through the end of such reasonable time period. Franchisee's termination of this Agreement (including by taking steps to de-identify the Decimal Business or otherwise cease operations under this Agreement) other than in accordance with this Section 15.A. is a termination without cause and a breach of this Agreement.

15.B. Termination by Franchisor. Franchisor may, at its option, terminate this Agreement, effective upon delivery of written notice of termination to Franchisee, if:

(1) Franchisee or any of its Owners has made or makes a material misrepresentation or omission in acquiring any of the rights under this Agreement or operating the Decimal Business;

(2) Franchisee, its Owner or any Decimal Business personnel whom Franchisor requires to attend its Initial Training Program does not satisfactorily complete that training;

(3) Franchisee fails to sign a Lease that Franchisor has accepted within thirty (30) days after Franchisor accepts the Site or Franchisee fails to open the Decimal Business in compliance with this Agreement on or before the Opening Deadline;

(4) Franchisee abandons or fails actively to operate the Decimal Business during the required hours of operation for two (2) or more consecutive calendar days, or

for three (3) or more calendar days during any month, unless Franchisee closes the Decimal Business for a purpose Franchisor approves or because of fire or other casualty;

(5) Franchisee surrenders or transfers control of its or the Decimal Business's management or operation without Franchisor's prior written consent;

(6) Franchisee or any of its Owners is convicted by a trial court of, or pleads no contest to, a felony;

(7) Franchisee or any of its Owners engages in any dishonest, unethical or illegal conduct which, in Franchisor's opinion, adversely affects the Decimal Business's reputation, the reputation of other Decimal Businesses or the goodwill associated with the Marks;

(8) Franchisee fails to maintain the insurance Franchisor requires from time to time and/or Franchisee fails to provide Franchisor with proof of such insurance as this Agreement requires;

(9) Franchisee interferes with Franchisor's right to inspect the Decimal Business or observe its operation or Franchisor's right to audit Franchisee's books and records;

(10) Franchisee or any of its Owners makes an unauthorized transfer in breach of this Agreement;

(11) any other franchise agreement or other agreement between Franchisor (or any of its affiliates) and Franchisee (or any of its Owners or affiliates) is terminated before its term expires, regardless of the reason;

(12) Franchisee or any of its Owners, directors or officers (or any members of their Extended Families) breaches Section 12 or knowingly makes any unauthorized use or disclosure of any part of the Operations Manual or any other Confidential Information;

(13) Franchisee violates any law, ordinance or regulation relating to the ownership or operation of the Decimal Business, or operates the Decimal Business in an unsafe manner, and (if the violation can be corrected) Franchisee does not begin to correct the violation immediately, and correct the violation fully within seventy-two (72) hours, after Franchisee receives notice of the violation from Franchisor or any other party;

(14) Franchisee fails to pay when due any federal, state or local income, sales or other taxes due, or repeatedly fails to make or delays making payments to its suppliers or lenders, unless Franchisee is in good faith contesting its liability for these taxes or payments;

(15) Franchisee or any of its Owners fails on three (3) or more separate occasions within any twelve (12) consecutive month period to comply with any one or more obligations under this Agreement, whether or not any of these failures are corrected after

Franchisor delivers written notice to Franchisee and whether these failures involve the same or different obligations under this Agreement;

(16) Franchisee or any of its Owners fails on two (2) or more separate occasions within any six (6) consecutive month period, or on three (3) or more separate occasions within any thirty-six (36) consecutive month period, to comply with the same obligation under this Agreement, whether or not any of these failures are corrected after Franchisor delivers written notice to Franchisee;

(17) Franchisee or any Owner makes an assignment for the benefit of creditors or admits in writing Franchisee's or its insolvency or inability to pay Franchisee's or its debts generally as they become due; Franchisee or any Owner consents to the appointment of a receiver, trustee or liquidator of all or the substantial part of Franchisee's or its property; the Decimal Business or any of the Operating Assets is attached, seized, subjected to a writ or distress warrant, or levied upon, unless the attachment, seizure, writ, warrant or levy is vacated within thirty (30) days; or any order appointing a receiver, trustee or liquidator of Franchisee, any Owner or the Decimal Business is not vacated within thirty (30) days following the order's entry;

(18) Franchisee fails to pay Franchisor (or its affiliates) any amounts due, whether arising under this Agreement or any other agreement, and does not correct the failure within ten (10) days after Franchisor delivers written notice of that failure to Franchisee; or

(19) Franchisee (or its affiliate) fails to comply with any other provision of this Agreement, any mandatory System Standard, or any other agreement between Franchisee (or its affiliate) and Franchisor (or its affiliate), and does not correct the failure within thirty (30) days after Franchisor (or its affiliate) delivers written notice of the failure to Franchisee (or its affiliate).

15.C. Termination of Other Rights. In addition to and without limiting Franchisor's other rights and remedies under this Agreement, any other agreement and applicable law, upon the occurrence of any of the events that give rise to Franchisor's right to terminate this Agreement under Section 15.B. or that gives Franchisor the right to terminate any other agreement signed in relation to this Agreement, Franchisor may, at its sole option and upon delivery of written notice to Franchisee, elect to take any or all of the following actions without terminating this Agreement:

(1) eliminate Franchisee's rights, and Franchisor's (and its affiliates') obligations, under Section 3.A., after which Franchisor (and its affiliates) may operate, and authorize any other parties to operate a Decimal Business the physical premises of which are located within the Territory;

(2) temporarily remove information concerning Franchisee or any Franchisee Decimal Business from the System Website and/or stop Franchisee's participation in any other programs or benefits offered on or through the System Website; and/or

(3) suspend Franchisee's right to receive any services or support that Franchisor provides to Franchisee under this Agreement or any other agreement, including access to some or all of the Client Services.

Franchisor's exercise of its rights under this Section 15.C. will not be a defense for Franchisee to Franchisor's enforcement of any other provision of this Agreement or waive or release Franchisee from any of its other obligations under this Agreement. Franchisor's exercise of these rights will not constitute an actual or constructive termination of this Agreement nor be Franchisor's sole or exclusive remedy for Franchisee's default. Franchisee shall continue to pay all fees and otherwise comply with all of its obligations under this Agreement following Franchisor's exercise of any of these rights. If Franchisor exercises any of its rights under this Section 15.C., Franchisor may thereafter terminate this Agreement without providing Franchisee any additional corrective or cure period, unless the default giving rise to Franchisor's right to terminate this Agreement has been cured to its reasonable satisfaction.

## **16. Rights and Obligations Upon Termination or Expiration.**

16.A. Payment of Amounts Owed. Franchisee agrees to pay within ten (10) days after this Agreement expires or is terminated, or on any later date that the amounts due are determined, all amounts owed to Franchisor or its affiliates under this Agreement or any related agreement which then are unpaid.

Franchisee acknowledges and confirms that Franchisor will suffer substantial damages as a result of the termination of this Agreement before the Term expires, including lost future Royalty Fees, Marketing Technology Fees, and Brand Development Fund contributions, lost market penetration and goodwill, loss of representation in the Decimal Business's market area, lost DSP Fees, lost opportunity costs, and expenses that Franchisor will incur in developing or finding another franchisee to develop another Decimal Business in the Decimal Business's market area (collectively, "**Brand Damages**"). Franchisor and Franchisee acknowledge that Brand Damages are difficult to estimate accurately and proof of Brand Damages would be burdensome and costly, although such damages are real and meaningful to Franchisor. Therefore, upon termination of this Agreement for any reason except pursuant to Section 15.A., Franchisee agrees to pay Franchisor, within fifteen (15) days after the date of such termination, liquidated damages in a lump sum in an amount equal to the product of (1) the average Royalty Fees, Marketing Technology Fees, DSP Fees, and Brand Development Fund contributions that Franchisee owed Franchisor and Decimal Franchise Services during the twelve (12) full calendar month period before the month of termination (or such shorter period during which the Decimal Business operated), multiplied by (2) thirty-six (36) or the number of months then remaining in the Term had it not been terminated, whichever is less. Franchisee agrees that the liquidated damages calculated under this Section 16.A. represent the best estimate of Franchisor's Brand Damages arising from such termination. Franchisee's payment of the liquidated damages to Franchisor will not be considered a penalty but, rather, a reasonable estimate of fair compensation to Franchisor for the Brand Damages Franchisor will incur because this Agreement did not continue for the Term's full length. Franchisee acknowledges that its payment of liquidated damages is full compensation to Franchisor only for the Brand Damages resulting from the early termination of this Agreement and is in addition to, and not in lieu of, Franchisee's obligations to pay other amounts due to Franchisor under this Agreement as of the date of termination and to comply strictly with all other provisions

of this Section 16. If any valid law or regulation governing this Agreement limits Franchisee's obligation to pay, and/or Franchisor's right to receive, the liquidated damages for which Franchisee is obligated under this Section 16.A., then Franchisee shall be liable to Franchisor for any and all Brand Damages that Franchisor incurs, now or in the future, as a result of Franchisee's breach of this Agreement.

16.B. De-Identification. When this Agreement expires or is terminated for any reason:

(1) Franchisee must take any actions that are required to cancel all fictitious or assumed name or equivalent registrations relating to its use of any of the Marks and, at Franchisor's option, to assign to Franchisor (or its designee) or cancel any electronic address, domain name or website, or rights maintained in connection with any search engine or other technology, that directly or indirectly associates Franchisee or the Decimal Business with Franchisor, the Marks, the Franchise System or the network of Decimal Businesses;

(2) beginning on the De-identification Date (defined below) or the closing of the acquisition of the Purchased Assets (defined in Section 16.E.) under Section 16.E., Franchisee and its Owners shall not directly or indirectly at any time thereafter or in any manner (except in connection with other Decimal Businesses they own and operate): (a) identify itself or themselves or any business as a current or former Decimal Business or as one of Franchisor's current or former franchisees or licensees; (b) use any Mark, any colorable imitation of a Mark, any trademark, service mark or commercial symbol that is confusingly similar to any Mark, or any other indicia of a Decimal Business in any manner or for any purpose, including in or on any advertising or marketing materials, forms, or any website, Social Media or other electronic media; or (c) use for any purpose any trade dress, trade name, trademark, service mark or other commercial symbol that indicates or suggests a connection or association with Franchisor or the network of Decimal Businesses;

(3) within three (3) days after the De-identification Date, Franchisee must remove and deliver to Franchisor (or, at its option, destroy) all exterior and interior signs, Local Marketing and other advertising, marketing and promotional materials, forms and other documents containing any of the Marks or otherwise identifying or relating to a Decimal Businesses; and

(4) within ten (10) days after the De-identification Date, Franchisee must make such alterations as Franchisor reasonably specifies to distinguish the Decimal Business and its assets clearly from their former appearance as a Decimal Business and from other Decimal Businesses so as to prevent a likelihood of confusion by the public and otherwise take the steps that Franchisor specifies to de-identify the Decimal Business, including permanently removing all Marks and trade dress from the Decimal Business.

Franchisee must provide Franchisor written evidence (including pictures, as applicable) of its compliance with this Section 16.B. upon Franchisor's request. If Franchisee fails to comply with any of its obligations under this Section 16.B., then, without limiting Franchisor's other rights and remedies under this Agreement or applicable law, Franchisor or its designee may take any action that this Section 16.B. requires on Franchisee's behalf and at Franchisee's expense,

including by entering the Decimal Business and adjacent areas, without prior notice or liability, to remove the items and/or make the alterations that this Section 16.B. requires. The “**De-identification Date**” means: (i) the closing date of Franchisor’s (or assignee’s) purchase of the Purchased Assets pursuant to Section 16.E.; or (ii) if that closing does not occur, the date upon which the option under Section 16.E. expires or the date upon which Franchisor provides Franchisee written notice of its decision not to exercise that option, whichever occurs first. If Franchisor or its assignee acquires the Purchased Assets under Section 16.E., then Franchisee’s obligations under Sections 16.B.(3) and (4) will be void and of no force or effect.

16.C. Confidential Information. Franchisee agrees that, when this Agreement expires or is terminated, Franchisee and its Owners will immediately cease using any Client Data and other Confidential Information, whether directly or indirectly through one or more intermediaries, in any business or otherwise and return to Franchisor all copies of the Operations Manual and any other confidential materials that Franchisor has loaned Franchisee. Franchisor shall exclusively own all rights to Client Data after the expiration or termination of this Agreement.

16.D. Restrictive Covenants. Upon expiration (without the grant of a successor franchise) or termination of this Agreement for any reason except pursuant to Section 15.A., and except with respect to other franchise agreements with Franchisor then in effect, Franchisee and its Owners agree that:

(1) for two (2) months beginning on the effective date of termination or expiration (subject to extension as provided below), neither Franchisee nor any of Franchisee’s Owners, nor any members of Franchisee’s or their Extended Families, will:

(a) have any direct or indirect, controlling or non-controlling ownership interest in any Competitive Business which is located or providing services or products to clients at any location: (i) at the Site; (ii) within a thirty (30)-mile radius of the Site; or (iii) within a thirty (30)-mile radius of any Decimal Business then operating on the effective date of the termination or expiration, provided that this restriction will not apply to the ownership of shares of a class of securities which are publicly traded on a United States stock exchange representing less than five percent (5%) of the number of shares of that class of securities issued and outstanding; or

(b) perform services as a director, officer, manager, employee, consultant, representative or agent for a Competitive Business which is located or providing services or products to clients at any location (i) at the Site; (ii) within a thirty (30)-mile radius of the Site; or (iii) within a thirty (30)-mile radius of any Decimal Business then operating on the effective date of the termination or expiration.

(2) for two (2) years beginning on the effective date of termination or expiration (subject to extension as provided below), neither Franchisee nor any of Franchisee’s Owners, nor any members of Franchisee’s or their Extended Families, will directly or indirectly, solicit or accept business from any person or entity which was a client or customer of Franchisee, Franchisor or another franchisee in the Franchise System at or

prior to the date of termination or expiration of this Agreement, or from any person actively sought as a prospective client or customer of Franchisee, Franchisor, or another franchisee in the Franchise System prior to the date of termination or expiration of this Agreement, by or on behalf of any Competitive Business.

The time period during which these restrictions apply will be automatically extended, with respect to all persons covered by this Section 16.D., for each day during which any person covered by this Section 16.D. is not complying fully with this Section 16.D. These restrictions also apply after transfers and other events, as provided in Section 13, and are in addition to the restrictions in Section 16.F. Franchisee (and each of its Owners) acknowledge that Franchisee (and they) possess skills and abilities of a general nature and have other opportunities for exploiting these skills. Consequently, Franchisor's enforcing the covenants made in this Section 16.D. will not deprive Franchisee or them of personal goodwill or the ability to earn a living.

**16.E. Franchisor's Right to Purchase Decimal Business Assets.**

(1) **Exercise of Option.** Upon termination of this Agreement for any reason (other than Franchisee's termination in accordance with Section 15.A.) or expiration of this Agreement without Franchisor's and Franchisee's signing a successor franchise agreement, Franchisor has the option, exercisable by giving Franchisee written notice within fifteen (15) days after the date of termination or expiration (the "**Exercise Notice**"), to purchase those Operating Assets and other assets used in the operation of the Decimal Business, including client lists, files, and contact information, that Franchisor designates (the "**Purchased Assets**"). Franchisor has the unrestricted right to exclude any assets it specifies relating to the Decimal Business from the Purchased Assets and not acquire them. Franchisee agrees to provide Franchisor the financial statements and other information Franchisor reasonably requires, and to allow Franchisor to inspect the Decimal Business and its assets, to determine whether to exercise Franchisor's option under this Section 16.E.

(2) **Operations Pending Purchase.** While Franchisor is deciding whether to exercise its option under this Section 16.E., and, if Franchisor does exercise that option, during the period beginning with its delivery of the Exercise Notice and continuing through the closing of the purchase, Franchisee must continue to operate the Decimal Business according to this Agreement and all System Standards. However, Franchisor may, at any time during that period, assume the management of the Decimal Business itself or appoint a third party (who may be its affiliate) to manage the Decimal Business. All funds from the operation of the Decimal Business while Franchisor or its appointee assumes the Decimal Business's management will be kept in a separate account, and all of the expenses of the Decimal Business will be charged to that account. Franchisor or its appointee may charge Franchisee (in addition to the amounts due under this Agreement) a management fee equal to ten percent (10%) of the Decimal Business's Gross Revenues during the period of management, plus any direct costs and expenses associated with the management. Franchisor or its appointee has a duty to utilize only reasonable efforts and will not be liable to Franchisee for any debts, losses or obligations the Decimal Business incurs, or to any of Franchisee's creditors for any products or services the Decimal Business purchases, while managing it. Franchisee shall not take any action or fail to take any action that would

interfere with Franchisor's or its appointee's exclusive right to manage the Decimal Business.

(3) **Purchase Price.** The purchase price for the Purchased Assets (the "**Purchase Price**") will be their fair market value for use in the operation of a Competitive Business at a location other than the Site, but not a Decimal Business as a going concern, except that the Purchase Price will not include any value for any rights granted by this Agreement, goodwill attributable to the Marks, Franchisor's brand image, any Confidential Information or Franchisor's other intellectual property rights, or participation in the network of Decimal Businesses.

(4) **Appraisal.** If Franchisor and Franchisee cannot agree on the Purchase Price for the Purchased Assets, Franchisor will designate an independent appraiser to determine the Purchase Price for the Purchased Assets. Franchisee and Franchisor will share equally the fees and expenses of the independent appraiser. Franchisor agrees to designate the independent appraiser within fifteen (15) days after Franchisor delivers the Exercise Notice (if Franchisee and Franchisor have not agreed on the Purchase Price before then). Within thirty (30) days after Franchisor delivers the Exercise Notice, each party shall submit its respective calculation of the Purchase Price to the independent appraiser in such detail as the appraiser requests and according to the criteria specified in subparagraph (3). Within ten (10) days after receiving both calculations, the appraiser shall determine and notify Franchisee and Franchisor which of the calculations is the most correct. The appraiser must choose either Franchisee's or Franchisor's calculation, and may not develop its own fair market value calculation. The appraiser's choice shall be the Purchase Price.

(5) **Closing.** Franchisor will pay the Purchase Price at the closing, which will take place within sixty (60) days after the Purchase Price is determined or, if later, on the date upon which Franchisor obtains licenses and permits to operate the Decimal Business. Franchisor may set off against the Purchase Price, and reduce the Purchase Price by, any and all amounts Franchisee owes Franchisor or its affiliates. Franchisor is entitled to all customary representations, warranties and indemnities in its asset purchase, including representations and warranties as to ownership and condition of, and title to, assets, liens and encumbrances on assets, validity of contracts and agreements, and liabilities affecting the assets, contingent or otherwise, and indemnities for all actions, events and conditions that existed or occurred in connection with the Decimal Business or Franchisee's business prior to the closing of the purchase. At the closing, Franchisee agrees to deliver instruments transferring to Franchisor: (a) good and merchantable title to the Purchased Assets, free and clear of all liens and encumbrances (other than liens and security interests acceptable to Franchisor), with all sales and transfer taxes paid by Franchisee; and (b) all the Decimal Business's licenses and permits which may be assigned or transferred. If Franchisee cannot deliver clear title to all of the Purchased Assets, or if there are other unresolved issues, the sale will be closed through an escrow. Franchisee and its Owners further agree to sign general releases, in a form satisfactory to Franchisor, of any and all claims against Franchisor and its affiliates and its and their respective owners, officers, directors, employees, agents, representatives, successors and assigns.

(6) **Assignment.** Franchisor may assign its rights under this Section 16.E. to any Entity (who may be Franchisor's affiliate), and that Entity will have all of the rights and obligations under this Section 16.E.

16.F. **Continuing Obligations.** All of Franchisor's and Franchisee's (and its Owners') obligations under this Agreement which expressly or by their nature survive this Agreement's expiration or termination will continue in full force and effect subsequent to and notwithstanding its expiration or termination and until these obligations are satisfied in full or by their nature expire.

## 17. **Relationship of the Parties/Indemnification.**

### 17.A. **Independent Contractors.**

(1) Franchisee and Franchisor understand and agree that this Agreement does not create a fiduciary relationship between them, that Franchisee is an independent contractor, and that nothing in this Agreement is intended to or shall be construed to make either party a general or special agent, legal representative, joint venturer, partner or employee of the other party for any purpose. Franchisee has no authority, express or implied, to act as the agent of Franchisor or any of its affiliates for any purpose. Franchisee is, and shall remain, an independent contractor responsible for all obligations and liabilities of the Decimal Business, and for all losses directly or indirectly resulting from the operation of the Decimal Business. Further, Franchisor and Franchisee are not and do not intend to be partners, associates, or joint employers in any way, and Franchisor shall not be construed to be jointly liable for any of Franchisee's acts or omissions under any circumstances. Franchisor (and its affiliates) will not exercise direct or indirect control over the working conditions of Decimal Business personnel, except to the extent such indirect control is related to Franchisor's legitimate interest in protecting the quality of the products and services associated with the Marks. Franchisor (and its affiliates) do not share or codetermine the employment terms and conditions of the Decimal Business's employees and do not affect matters relating to the employment relationship between Franchisee and the Decimal Business's employees, such as employee selection, promotion, termination, hours worked, rates of pay, other benefits, work assigned, discipline, adjustment of grievances and complaints, and working conditions. Franchisee agrees to identify itself conspicuously in all dealings with clients, prospective clients, employees, suppliers, public officials and others as the Decimal Business's exclusive owner under a franchise Franchisor has granted and to place notices of independent ownership on the forms, business cards, employment materials, advertising and other materials Franchisor requires from time to time.

(2) In consideration of the Franchise granted to Franchisee, Franchisee, on behalf of itself and its predecessors, affiliates, owners, directors, officers, employees, representatives, agents, successors and assigns (for purposes of this Section 17.A(2), the "**FRANCHISEE Releasors**"), hereby release, discharge and agree to hold harmless Franchisor and its predecessors, affiliates, owners, directors, officers, employees, representatives, agents, successors and assigns (for purposes of this Section 17.A(2), the "**FRANCHISOR Releasees**") from any and all suits, claims, liabilities, demands, promises, obligations, costs, expenses, actions and causes of action of every nature,

character and description, in law or in equity, whether presently known or unknown, vested or contingent, suspected or unsuspected, which the FRANCHISEE Releasors now own or hold or have at any time heretofore owned or held or may at any time own or hold against the FRANCHISOR Releasees arising out of or in any way related to Franchisee's independent contractor status including, without limitation, wage and hour laws, misclassification theories or any similar type of laws or liability theories aimed at protecting employees ("**Released Claims**"). FRANCHISEE Releasors hereby covenant not to bring any suit, action, or proceeding, or make any demand or claim of any type, against the FRANCHISOR Releasees with respect to the Released Claims. Any of the FRANCHISOR Releasees may plead or assert the covenant not to sue in this Section 17.A(2) as a complete defense and bar to any claim brought against any of them in contravention of this Section 17.A(2) and, if any such claim is brought against any of them, the FRANCHISEE Releasors, jointly and severally, shall indemnify, defend, and hold harmless any such FRANCHISOR Releasees from and against any such claim. The FRANCHISEE Releasors acknowledge that they have read and understand the significance and consequences of Section 1542 of the California Civil Code which provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

Nevertheless, the FRANCHISEE Releasors acknowledge that this Section 17.A(2) has been agreed upon and they expressly waive any and all rights which any of them may have under Section 1542 of the California Civil Code, or any other state or federal statute or common law principle of similar effect.

17.B. No Liability for Acts of Other Party. Franchisor and Franchisee agree not to make any express or implied agreements, warranties, guarantees or representations, or incur any debt, in the name or on behalf of the other or represent that their relationship is other than franchisor and franchisee. Franchisor will not be obligated for any damages to any person or property directly or indirectly arising out of the Decimal Business's operation or the business Franchisee conducts under this Agreement.

17.C. Taxes. Franchisor will have no liability for any sales, use, service, occupation, excise, gross receipts, income, property or other taxes, whether levied upon Franchisee or the Decimal Business, due to the business Franchisee conducts (except any taxes Franchisor is required by law to collect from Franchisee for purchases from Franchisor and Franchisor's income taxes). Franchisee is responsible for paying these taxes.

17.D. Indemnification and Defense of Claims.

(1) Franchisee agrees to indemnify and hold harmless Franchisor, its affiliates, and its and their respective owners, directors, officers, employees, agents, representatives, successors and assignees (the "**Indemnified Parties**") against, and to reimburse any one

or more of the Indemnified Parties for, all Losses (defined below) directly or indirectly arising out of or relating to: (a) the Decimal Business's development or operation; (b) the business Franchisee conducts under this Agreement; (c) Franchisee's breach of this Agreement; (d) Franchisee's noncompliance or alleged noncompliance with any law, ordinance, rule or regulation, including those concerning the Decimal Business's construction, design or operation, and including any allegation that Franchisor or another Indemnified Party is a joint employer or otherwise responsible for Franchisee's acts or omissions relating to Franchisee's employees; or (e) claims alleging either intentional or negligent conduct, acts or omissions by Franchisee (or its contractors or any of its or their employees, agents or representatives), or by Franchisor or its affiliates (or its or their contractors or any of its or their employees, agents or representatives), subject to Section 17.D.(3). **"Losses"** means any and all losses, expenses, obligations, liabilities, damages (actual, consequential, or otherwise), and reasonable defense costs, including accountants', mediators', arbitrators', attorneys', and expert witness fees, costs of investigation and proof of facts, court costs, travel and living expenses, and other expenses of mediation, litigation, arbitration, or alternative dispute resolution, regardless of whether mediation, litigation, arbitration, or alternative dispute resolution is commenced.

(2) Franchisee agrees to defend the Indemnified Parties against any and all claims asserted or inquiries made (formally or informally), or legal actions, investigations, or other proceedings brought, by a third party and directly or indirectly arising out of or relating to any matter described in Subsection 17.D.(1)(a) through (e) above (collectively, **"Proceedings"**), including those alleging the Indemnified Party's negligence, gross negligence, willful misconduct and/or willful wrongful omissions. Each Indemnified Party may at Franchisee's expense defend and otherwise respond to and address any claim asserted or inquiry made, or Proceeding brought, that is subject to this Section 17.D. (instead of having Franchisee defend it as required above), and agree to settlements or take any other remedial, corrective, or other actions, for all of which defense and response costs and other Losses Franchisee is solely responsible, subject to Section 17.D.(3). An Indemnified Party need not seek recovery from any insurer or other third party, or otherwise mitigate its Losses, in order to maintain and recover fully a claim against Franchisee, and Franchisee agrees that a failure to pursue a recovery or mitigate a Loss will not reduce or alter the amounts that an Indemnified Party may recover from Franchisee under this Section 17.D. Franchisee's obligations under this Section 17.D. will continue in full force and effect subsequent to and notwithstanding this Agreement's expiration or termination.

(3) Despite Section 17.D.(1), Franchisee has no obligation to indemnify or hold harmless an Indemnified Party for, and Franchisor will reimburse Franchisee for, any Losses (including costs of defending any Proceeding under Section 17.D.(2)) to the extent they are determined in a final, unappealable ruling issued by a court or arbitrator with competent jurisdiction to have been caused solely and directly by the Indemnified Party's willful misconduct or gross negligence, so long as the claim to which those Losses relate is not asserted on the basis of theories of vicarious liability (including agency, apparent agency, or joint employer) or Franchisor's failure to compel Franchisee to comply with this Agreement, which are claims for which Franchisee is not entitled to indemnification

pursuant to this Section 17.D.(3). However, nothing in this Section 17.D.(3) limits Franchisee's obligation to defend Franchisor and the other Indemnified Parties under Section 17.D.(2).

## **18. Enforcement.**

18.A. Severability and Substitution of Valid Provisions. Except as expressly provided to the contrary in this Agreement (including in Section 18.F. and 18.G.), each Section, Subsection, paragraph, term and provision of this Agreement is severable, and if, for any reason, any part is held to be invalid or contrary to or in conflict with any applicable present or future law or regulation in a final, unappealable ruling issued by any court, agency or arbitrator with competent jurisdiction, that ruling will not impair the operation of, or otherwise affect, any other portions of this Agreement, which will continue to have full force and effect and bind the parties. If any covenant which restricts competitive activity is deemed unenforceable by virtue of its scope in terms of area, business activity prohibited, and/or length of time, but would be enforceable if modified, Franchisee and Franchisor agree that the covenant will be enforced to the fullest extent permissible under the laws and public policies applied in the jurisdiction whose law determines the covenant's validity. If any applicable and binding law or rule of any jurisdiction requires more notice than this Agreement requires of termination or of Franchisor's refusal to enter into a successor franchise agreement, or if, under any applicable and binding law or rule of any jurisdiction, any provision of this Agreement or any System Standard is invalid, unenforceable or unlawful, the notice and/or other action required by the law or rule will be substituted for the comparable provisions of this Agreement, and Franchisor may modify the invalid or unenforceable provision or System Standard to the extent required to be valid and enforceable or delete the unlawful provision in its entirety. Franchisee agrees to be bound by any promise or covenant imposing the maximum duty the law permits which is subsumed within any provision of this Agreement, as though it were separately articulated in and made a part of this Agreement.

18.B. Waiver of Obligations and Force Majeure. Franchisor and Franchisee may by written instrument unilaterally waive or reduce any obligation of or restriction upon the other under this Agreement, effective upon delivery of written notice to the other or another effective date stated in the notice of waiver. But, no interpretation, change, termination or waiver of any of this Agreement's provisions shall be binding upon Franchisor unless in writing and signed by one of Franchisor's officers, and which is specifically identified as an amendment, termination or waiver under this Agreement. No modification, waiver, termination, rescission, discharge or cancellation of this Agreement shall affect the right of any party hereto to enforce any claim or right hereunder, whether or not liquidated, which occurred prior to the date of such modification, waiver, termination, rescission, discharge or cancellation. Any waiver Franchisor grants will be without prejudice to any other rights Franchisor has, will be subject to its continuing review, and may be revoked at any time and for any reason, effective upon delivery to Franchisee of ten (10) days' prior written notice.

Franchisor and Franchisee will not be deemed to waive or impair any right, power or option this Agreement reserves (including Franchisor's right to demand exact compliance with every term, condition and covenant or to declare any breach to be a default and to terminate this Agreement before the Term expires) because of any custom or practice at variance with its terms; Franchisor's or Franchisee's failure, refusal or neglect to exercise any right under this Agreement

or to insist upon the other's compliance with this Agreement, including Franchisee's compliance with any System Standard; Franchisor's waiver of or failure to exercise any right, power or option, whether of the same, similar or different nature, with other Decimal Businesses; the existence of franchise or license agreements for other Decimal Businesses which contain provisions different from those contained in this Agreement; or Franchisor's acceptance of any payments due from Franchisee after any breach of this Agreement. No special or restrictive legend or endorsement on any check or similar item given to Franchisor will be a waiver, compromise, settlement or accord and satisfaction. Franchisor is authorized to remove any legend or endorsement, and they shall have no effect.

Neither Franchisor nor Franchisee will be liable for loss or damage or be in breach of this Agreement if its failure to perform obligations results from: (1) compliance with the orders, requests, regulations, or recommendations of any federal, state, or municipal government which do not arise from a violation or alleged violation of any law, rule, regulation or ordinance; (2) acts of God; (3) fires, strikes, pandemics, epidemics, embargoes, war, acts of terrorism or similar events, or riot; or (4) any other similar event or cause. Any delay resulting from these causes will extend performance accordingly or excuse performance, in whole or in part, as may be reasonable, except that these causes will not excuse payment of amounts owed at the time of the occurrence or payment of Royalty Fees, Technology Fees, Marketing Technology Fees, Brand Development Fund contributions and other amounts due afterward.

18.C. Costs and Attorneys' Fees. If either Franchisor or Franchisee initiates a legal proceeding in connection with this Agreement or the relationship of the parties hereto, the non-prevailing party in such proceeding shall reimburse the prevailing party for any costs and expenses that the prevailing party incurs, including reasonable accounting, mediators', attorneys', arbitrators' and related fees.

18.D. Applying and Withholding Payments. Despite any designation Franchisee makes, Franchisor may apply any of Franchisee's payments to any of Franchisee's past due indebtedness to Franchisor (or its affiliates). Franchisor may set-off any amounts Franchisee or its Owners owe Franchisor or its affiliates against any amounts Franchisor or its affiliates might owe Franchisee or its Owners, whether in connection with this Agreement or otherwise. Franchisee may not withhold payment of any amounts owed to Franchisor or its affiliates on the grounds of Franchisor's or their alleged nonperformance of any of its or their obligations under this Agreement or any other agreement.

18.E. Rights of Parties are Cumulative. Franchisor's and Franchisee's rights under this Agreement are cumulative, and their exercise or enforcement of any right or remedy under this Agreement will not preclude their exercise or enforcement of any other right or remedy under this Agreement which they are entitled by law to enforce.

18.F. Mandatory Pre-Arbitration Mediation. Except as otherwise provided in this Section, prior to filing any arbitration proceeding to resolve any controversy, dispute, or claim between Franchisor (and its affiliates and its and their respective owners, officers, directors, managers, agents and employees, as applicable) and Franchisee (and its affiliates and its and their

respective owners, officers, directors, managers, agents and employees, as applicable), and which arise out of or are related to:

- (1) this Agreement or any other agreement between Franchisee (or its Owners or affiliates) and Franchisor (or its affiliates) or any provision of any of such agreements (including this Section 18.F.);
- (2) the relationship between Franchisor and Franchisee;
- (3) the scope and validity of this Agreement or any other agreement between Franchisee (or its Owners or affiliates) and Franchisor (or its affiliates) or any provision of any of such agreements (including the scope and validity of the mediation and arbitration obligations under this Section 18); or
- (4) any System Standard,

such controversy, dispute or claim will be submitted for mediation. All parties must attend and participate in the mediation. It is the intent of the parties that mediation shall be held not later than fourteen (14) days after a written request for mediation shall have been served on the other parties. The mediation will be held before one (1) mediator selected by the parties, and if the parties cannot agree upon the mediator, then a mediator shall be selected by the American Arbitration Association (the “AAA”). The mediation shall not last more than one (1) day and shall be held at a suitable location to be chosen by the mediator which is within ten (10) miles of Franchisor’s principal business address at the time that the mediation action is submitted. The mediator has no authority to establish a different mediation location. The mediation shall be governed by the rules of the AAA. If Franchisor and Franchisee do not resolve the dispute through mediation, then thereafter any party may submit the dispute for arbitration, in accordance with Section 18.G. below. The obligation to mediate shall not be binding upon either party with respect to claims relating to the Marks, any other intellectual property that is part of the Franchise System, or requests by either party for temporary restraining orders, preliminary injunctions or other procedures in a court of competent jurisdiction to obtain interim relief.

18.G. Arbitration. All controversies, disputes or claims between Franchisor (and its affiliates and its and their respective owners, officers, directors, managers, agents and employees, as applicable) and Franchisee (and its affiliates and its and their respective owners, officers, directors, managers, agents and employees, as applicable) that cannot be resolved pursuant to mediation in accordance with Section 18.F. above, and which arise out of or are related to:

- (1) this Agreement or any other agreement between Franchisee (or its Owners or affiliates) and Franchisor (or its affiliates) or any provision of any of such agreements (including this Section 18.G.);
- (2) the relationship between Franchisor and Franchisee;
- (3) the scope and validity of this Agreement or any other agreement between Franchisee (or its Owners or affiliates) and Franchisor (or its affiliates) or any provision of any of such agreements (including the scope and validity of the arbitration obligations

under this Section 18.G., which Franchisee and Franchisor acknowledge is to be determined by an arbitrator and not a court); or

(4) any System Standard,

will be submitted for arbitration to the office of the AAA closest to Franchisor's then current principal business address. Except as otherwise provided in this Agreement, such arbitration proceedings shall be heard by one (1) arbitrator in accordance with the then existing Commercial Arbitration Rules of the AAA. Arbitration proceedings shall be held at a suitable location to be chosen by the arbitrator which is within ten (10) miles of Franchisor's principal business address at the time that the arbitration action is filed. The arbitrator has no authority to establish a different hearing locale. All matters within the scope of the Federal Arbitration Act (9 U.S.C. Sections 1 et seq.) will be governed by it and not by any state arbitration law.

The arbitrator shall have the right to award or include in his or her award any relief which he or she deems proper in the circumstances, including money damages (with interest on unpaid amounts from the date due), specific performance, injunctive relief and attorneys' fees and costs, provided that: (i) the arbitrator shall not have authority to declare any Mark generic or otherwise invalid; and (ii) except for punitive, exemplary, treble and other forms of multiple damages available to any party under federal law or owed to third parties which are subject to indemnification under Section 17.D., Franchisor and Franchisee waive to the fullest extent permitted by law any right to or claim for any punitive, exemplary, treble or other forms of multiple damages against the other and agree that, in the event of a dispute between them, the party making a claim will be limited to equitable relief and to recovery of any actual damages it sustains. The award and decision of the arbitrator shall be conclusive and binding upon all parties hereto and judgment upon the award may be entered in any court of competent jurisdiction.

Franchisor and Franchisee agree to be bound by the provisions of any limitation on the period of time by which claims must be brought under this Agreement or applicable law, whichever expires first. Franchisor and Franchisee further agree that, in connection with any such arbitration proceeding, each shall submit or file any claim which would constitute a compulsory counterclaim (as defined by the then current Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding as the claim to which it relates. Any such claim which is not submitted or filed in such proceeding shall be barred. The arbitrator may not consider any settlement discussions or offers that might have been made by either Franchisee or Franchisor. Franchisor reserves the right, but has no obligation, to advance Franchisee's share of the costs of any arbitration proceeding in order for such arbitration proceeding to take place and by doing so will not be deemed to have waived or relinquished Franchisor's right to seek the recovery of those costs in accordance with Section 18.C.

Franchisor and Franchisee agree that arbitration shall be conducted on an individual, not a class-wide, basis, that only Franchisor (and its affiliates and its and their respective owners, officers, directors, managers, agents and employees, as applicable) and Franchisee (and its affiliates and its and their respective owners, officers, directors, managers, agents and employees, as applicable) may be the parties to any arbitration proceeding described in this Section 18.G., and that no such arbitration proceeding shall be consolidated with any other arbitration proceeding involving Franchisor and/or any other person or Entity. Notwithstanding the foregoing or anything

to the contrary in this Section 18.G. or Section 18.A., if any court or arbitrator determines that all or any part of the preceding sentence is unenforceable with respect to a dispute that otherwise would be subject to arbitration under this Section 18.G., then Franchisor and Franchisee agrees that this arbitration clause shall not apply to that dispute and that such dispute will be resolved in a judicial proceeding in accordance with this Section 18 (excluding this Section 18.G.).

The provisions of this Section 18.G. are intended to benefit and bind certain third party non-signatories and will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

Notwithstanding anything to the contrary contained in this Section 18, Franchisor and Franchisee each have the right to obtain temporary restraining orders and temporary or preliminary injunctive relief from a court of competent jurisdiction.

The obligation to arbitrate shall not be binding upon either party with respect to claims relating to the Marks, any other intellectual property that is part of the Franchise System, or requests by either party for temporary restraining orders, preliminary injunctions or other procedures in a court of competent jurisdiction to obtain interim relief.

18.H. Governing Law. Except to the extent governed by the Federal Arbitration Act, the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.) or other federal law, all controversies, disputes or claims arising from or relating to:

- (1) this Agreement or any other agreement between Franchisee (or its Owners or affiliates) and Franchisor (or its affiliates);
- (2) the relationship between Franchisor and Franchisee;
- (3) the validity of this Agreement or any other agreement between Franchisee (or its Owners or affiliates) and Franchisor (or its affiliates); or
- (4) any System Standard,

will be governed by the laws of the State of Delaware, without regard to its conflict of laws rules, except that any law regulating the sale of franchises, licenses, or business opportunities, governing the relationship of a franchisor and its franchisee or the relationship of a licensor and its licensee, or involving unfair or deceptive acts or practices will not apply unless its jurisdictional requirements are met independently without reference to this Section 18.H.

18.I. Consent to Jurisdiction. Subject to the mediation and arbitration obligations in this Section 18, Franchisee and its Owners agree that all judicial actions brought by Franchisor against Franchisee or its Owners, or by Franchisee or its Owners against Franchisor, its affiliates or its or their respective owners, officers, directors, agents, or employees, must be brought exclusively in the state or federal court of general jurisdiction in the state, and in (or closest to) the city, where Franchisor maintains its principal business address at the time that the action is brought. Franchisee and each of its Owners irrevocably submits to the jurisdiction of such courts and waives any objection that any of them may have to either jurisdiction or venue. Notwithstanding the

foregoing, Franchisor may bring an action for a temporary restraining order or for temporary or preliminary injunctive relief, or to enforce an arbitration award, in any federal or state court in the state in which Franchisee or any of its Owners resides or the Decimal Business is located.

18.J. Waiver of Punitive Damages and Jury Trial. EXCEPT FOR PUNITIVE, EXEMPLARY, TREBLE AND OTHER FORMS OF MULTIPLE DAMAGES AVAILABLE TO ANY PARTY UNDER FEDERAL LAW OR OWED TO THIRD PARTIES WHICH ARE SUBJECT TO INDEMNIFICATION UNDER SECTION 17.D., FRANCHISOR AND FRANCHISEE (AND FRANCHISEE'S OWNERS) WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE, EXEMPLARY, TREBLE OR OTHER FORMS OF MULTIPLE DAMAGES AGAINST THE OTHER AND AGREE THAT, IN THE EVENT OF A DISPUTE BETWEEN FRANCHISOR AND FRANCHISEE (OR FRANCHISEE'S OWNERS), THE PARTY MAKING A CLAIM WILL BE LIMITED TO EQUITABLE RELIEF AND TO RECOVERY OF ANY ACTUAL DAMAGES IT SUSTAINS.

FRANCHISOR AND FRANCHISEE (AND FRANCHISEE'S OWNERS) IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER FRANCHISOR OR FRANCHISEE (OR FRANCHISEE'S OWNERS).

18.K. Binding Effect and Amendment. This Agreement is binding upon Franchisor and Franchisee and their respective executors, administrators, heirs, beneficiaries, permitted assigns and successors in interest. Subject to Franchisor's rights to modify the Operations Manual, System Standards and Franchise System, this Agreement may not be amended or modified except by a written agreement signed by both Franchisee and Franchisor.

18.L. Limitations of Claims. EXCEPT FOR CLAIMS (1) RELATING TO THE MARKS OR ANY OTHER INTELLECTUAL PROPERTY THAT IS PART OF THE FRANCHISE SYSTEM OR (2) ARISING FROM FRANCHISEE'S NON-PAYMENT OR UNDERPAYMENT OF AMOUNTS IT OWES FRANCHISOR, ANY AND ALL CLAIMS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE RELATIONSHIP BETWEEN FRANCHISOR AND FRANCHISEE (AND FRANCHISEE'S OWNERS) WILL BE BARRED UNLESS A MEDIATION, ARBITRATION OR JUDICIAL PROCEEDING IS COMMENCED IN THE PROPER FORUM WITHIN ONE (1) YEAR FROM THE DATE ON WHICH THE PARTY ASSERTING THE CLAIM KNEW OR SHOULD HAVE KNOWN OF THE FACTS GIVING RISE TO THE CLAIM.

18.M. Construction. The preambles and exhibits are a part of this Agreement which, together with any riders or addenda signed at the same time as this Agreement, constitutes Franchisor's and Franchisee's entire agreement and supersedes all prior and contemporaneous oral or written agreements and understandings between them relating to the subject matter of this Agreement. There are no other oral or written representations, warranties, understandings or agreements between Franchisor and Franchisee relating to the subject matter of this Agreement. Notwithstanding the foregoing, nothing in this Agreement shall disclaim or require Franchisee to waive reliance on any representation that Franchisor made in the most recent disclosure document (including its exhibits and amendments) that Franchisor delivered to Franchisee or its

representative. Any policies that Franchisor adopts and implements from time to time to guide Franchisor in its decision-making are subject to change, are not a part of this Agreement and are not binding on Franchisor. Except as provided in Sections 17.D. and 18.G., nothing in this Agreement is intended nor deemed to confer any rights or remedies upon any person or Entity not a party to this Agreement.

References in this Agreement to Franchisor, with respect to all of Franchisor's rights and all of Franchisee's obligations to Franchisor under this Agreement, include any of Franchisor's affiliates with whom Franchisee deals in connection with the Decimal Business. The term "**affiliate**" means any individual or Entity directly or indirectly owned or controlled by, under common control with, or owning or controlling the party indicated. "**Control**" means the power to direct or cause the direction of management and policies.

If two or more persons are at any time the owners of the rights under this Agreement and the Decimal Business, whether as partners or joint venturers, their obligations and liabilities to Franchisor will be joint and several. "**Person**" (whether or not capitalized) means any individual or Entity. The term "**Decimal Business**" includes all of the assets of the Decimal Business Franchisee operates under this Agreement, including its revenue and income.

The headings of the Sections, Subsections and paragraphs are for convenience only and do not define, limit or construe their contents. Unless otherwise specified, all references to a number of days shall mean calendar days and not business days. The words "**include**," "**including**," and words of similar import shall be interpreted to mean "including, but not limited to" and the terms following such words shall be interpreted as examples of, and not an exhaustive list of, the appropriate subject matter. This Agreement may be executed by electronic signature and/or in multiple copies, each of which will be deemed an original.

18.N. The Exercise of Franchisor's Judgment. Franchisor has the right to operate, develop and change the Franchise System and System Standards in any manner that is not specifically prohibited by this Agreement. Whenever Franchisor has reserved in this Agreement a right to take or to withhold an action, or to grant or decline to grant Franchisee a right to take or omit an action, Franchisor may, except as otherwise specifically provided in this Agreement, make its decision or exercise its rights based on information readily available to Franchisor and its judgment of what is in the best interests of Franchisor or its affiliates, the Decimal Business network generally, or the Franchise System at the time its decision is made, without regard to whether it could have made other reasonable or even arguably preferable alternative decisions or whether its decision promotes Franchisor's or its affiliates' financial or other individual interest. Except where this Agreement expressly obligates Franchisor reasonably to approve or not unreasonably to withhold its approval of any of Franchisee's actions or requests, Franchisor has the absolute right to refuse any request Franchisee makes or to withhold its approval of any of Franchisee's proposed, initiated or completed actions that require its approval.

**19. Notices and Payments.**

All written notices, reports and payments permitted or required to be delivered by the provisions of this Agreement or the Operations Manual will be deemed so delivered:

(1) in the case of fees, contributions, and other amounts due, at the time Franchisor actually debits Franchisee's account (if Franchisor institutes an automatic debit program for the Decimal Business) or receives such amounts;

(2) one (1) business day after being placed in the hands of a commercial courier service for next business day delivery; or

(3) three (3) business days after placement in the United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid;

and must be addressed to the party to be notified at its most current principal business address of which the notifying party has notice and/or, with respect to any approvals or notices that Franchisor provides to Franchisee or its Owners, at the Decimal Business's address. Any required payment or report which Franchisor does not actually receive during regular business hours on the date due (or postmarked by postal authorities at least two (2) days before then) will be deemed delinquent.

**20. No Waiver or Disclaimer of Reliance in Certain States.** The following provision applies only to franchisees and franchises that are subject to state franchise registration/disclosure laws in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, or Wisconsin:

No statement, questionnaire, or acknowledgment signed or agreed to by 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 Franchisor, any franchise seller, or any other person acting on behalf of Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

*[Signature Page Follows]*

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement effective on the Agreement Date.

**FRANCHISOR:**

**DECIMAL FRANCHISING, LLC**, a  
Delaware limited liability company

By: \_\_\_\_\_

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

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

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

**FRANCHISEE**

\_\_\_\_\_  
[Name and State of Organization]

By: \_\_\_\_\_

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

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

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

**EXHIBIT A  
TO THE  
DECIMAL® FRANCHISE AGREEMENT**

**BASIC TERMS**

1. The “**Initial Franchise Fee**” is \_\_\_\_\_.
2. The “**Site**” is \_\_\_\_\_.
3. The “**Territory**” means the area identified as follows: \_\_\_\_\_.

4. The “**Opening Deadline**” is \_\_\_\_\_, 20\_\_.

5. **Site Selection Area.** If Franchisee has not yet located an approved Site as of the Agreement Date, the Site will not be identified until Franchisee finds and Franchisor accepts the Site, as provided in Section 2.A., but Franchisee may look for the Site within the following non-exclusive Site Selection Area:

6. The “**Opening Date**” is \_\_\_\_\_, 20\_\_.

7. Monthly “**DSP Fees**” payable to Decimal Franchise Services as of the Agreement Date consist of the following:

| <b>Fee</b>                             | <b>Amount</b>                                                                                                                                                                                           |
|----------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Software Suite                         | \$300 per user per month                                                                                                                                                                                |
| Recruitment                            | \$750 per recruit                                                                                                                                                                                       |
| Staff Training                         | \$750 per trainee                                                                                                                                                                                       |
| Hardware Acquisition                   | \$1,000 - \$2,000 per station                                                                                                                                                                           |
| Delivery Support Management Fee        | \$650 per month per staff member                                                                                                                                                                        |
| Delivery Support Payroll               | \$1,100 to \$3,000 per month per staff member                                                                                                                                                           |
| Billing and Collections Administration | 1% of Gross Revenues plus applicable payment processing fees                                                                                                                                            |
| Client Technology Fee                  | \$30 per client entity per month                                                                                                                                                                        |
| Queues Support Fees*                   | Fees for these services are charged on an as-used, per-client basis and vary depending on several factors, including the volume, complexity, and service level expectations associated with each client |

\*Bookkeeping and month-end close services performed on behalf of Franchisee for Franchisee’s clients, as further detailed in the Operations Manual.

**FRANCHISOR**

**DECIMAL FRANCHISING, LLC**, a  
Delaware limited liability company

By: \_\_\_\_\_

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

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

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

**FRANCHISEE**

\_\_\_\_\_  
[Name and State of Organization]

By: \_\_\_\_\_

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

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

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

**EXHIBIT B  
TO THE  
DECIMAL® FRANCHISE AGREEMENT**

**OWNERS AND GUARANTORS**

**OWNERS**

The ownership structure for \_\_\_\_\_ is as follows:

|                               |                               |
|-------------------------------|-------------------------------|
| Name: _____<br>Address: _____ | % of Total Share/Units: _____ |
| Name: _____<br>Address: _____ | % of Total Share/Units: _____ |
| Name: _____<br>Address: _____ | % of Total Share/Units: _____ |
| Name: _____<br>Address: _____ | % of Total Share/Units: _____ |

**OFFICERS/EXECUTIVES:**

The officers and principal executives for \_\_\_\_\_ are as follows:

|             |              |
|-------------|--------------|
| Name: _____ | Title: _____ |
| Name: _____ | Title: _____ |
| Name: _____ | Title: _____ |

**OPERATING PRINCIPAL:**

The Operating Principal is \_\_\_\_\_.

**ACCOUNTING PRINCIPAL:**

The Accounting Principal is \_\_\_\_\_.

**FRANCHISOR**

**DECIMAL FRANCHISING, LLC**, a  
Delaware limited liability company

By: \_\_\_\_\_

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

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

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

**FRANCHISEE**

\_\_\_\_\_  
[Entity Name]

By: \_\_\_\_\_

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

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

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

**EXHIBIT C  
TO THE  
DECIMAL® FRANCHISE AGREEMENT**

**GUARANTY AND ASSUMPTION OF OBLIGATIONS**

**THIS GUARANTY AND ASSUMPTION OF OBLIGATIONS** is given  
\_\_\_\_\_, by \_\_\_\_\_.

In consideration of, and as an inducement to, the execution of that certain Franchise Agreement (the “**Agreement**”) on this date by Decimal Franchising, LLC (“**Franchisor**”), each of the undersigned personally and unconditionally (a) guarantees to Franchisor and its successors and assigns, for the term of the Agreement (including any successor term or extension) that \_\_\_\_\_ (“**Franchisee**”) will punctually pay and perform each and every undertaking, agreement, and covenant set forth in the Agreement (including any amendments or modifications of the Agreement); and (b) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement (including any amendments or modifications of the Agreement), both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities, including, without limitation, the mediation, arbitration, non-competition, confidentiality, and transfer requirements.

Each of the undersigned acknowledges that he, she, or it is either an owner (whether direct or indirect) of Franchisee or otherwise has a direct or indirect relationship with Franchisee or its affiliates; that he, she or it will benefit significantly from Franchisor’s entering into the Agreement with Franchisee; and that Franchisor would not enter into the Agreement unless each of the undersigned agrees to sign and comply with the terms of this Guaranty.

Each of the undersigned consents and agrees that: (1) his, her or its direct and immediate liability under this Guaranty will be joint and several, both with Franchisee and among other guarantors; (2) he, she or it will render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so; (3) this liability will not be contingent or conditioned upon Franchisor’s pursuit of any remedies against Franchisee or any other person or entity; (4) this liability will not be diminished, relieved, or otherwise affected by any extension of time, credit, or other indulgence which Franchisor may from time to time grant to Franchisee or to any other person or entity, including, without limitation, the acceptance of any partial payment or performance or the compromise or release of any claims (including, without limitation, the release of other guarantors), none of which will in any way modify or amend this Guaranty, which will be continuing and irrevocable during the term of the Agreement (including extensions), for so long as any performance is or might be owed under the Agreement by Franchisee or any of its owners or guarantors, and for so long as Franchisor has any cause of action against Franchisee or any of its owners or guarantors; and (5) this Guaranty will continue in full force and effect for (and as to) any extension or modification of the Agreement and despite the transfer of any direct or indirect interest in the Agreement or Franchisee, and each of the undersigned waives notice of any and all renewals, extensions, modifications, amendments, or transfers.

Each of the undersigned waives: (i) all rights to payments and claims for reimbursement or subrogation that any of the undersigned may have against Franchisee arising as a result of the undersigned's execution of and performance under this Guaranty, for the express purpose that none of the undersigned shall be deemed a "creditor" of Franchisee under any applicable bankruptcy law with respect to Franchisee's obligations to Franchisor; (ii) all rights to require Franchisor to proceed against Franchisee for any payment required under the Agreement, proceed against or exhaust any security from Franchisee, take any action to assist any of the undersigned in seeking reimbursement or subrogation in connection with this Guaranty or pursue, enforce or exhaust any remedy, including any legal or equitable relief, against Franchisee; (iii) any benefit of, or any right to participate in, any security now or hereafter held by Franchisor; and (iv) acceptance and notice of acceptance by Franchisor of his, her or its undertakings under this Guaranty, all presentments, demands and notices of demand for payment of any indebtedness or non-performance of any obligations hereby guaranteed, protest, notices of dishonor, notices of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed, and any other notices and legal or equitable defenses to which he, she or it may be entitled. Franchisor shall have no present or future duty or obligation to the undersigned under this Guaranty, and each of the undersigned waives any right to claim or assert any such duty or obligation, to discover or disclose to the undersigned any information, financial or otherwise, concerning Franchisee, any other guarantor, or any collateral securing any obligations of Franchisee to Franchisor. Without affecting the obligations of the undersigned under this Guaranty, Franchisor may, without notice to the undersigned, extend, modify, supplement, waive strict compliance with, or release all or any provisions of the Agreement or any indebtedness or obligation of Franchisee, or settle, adjust, release, or compromise any claims against Franchisee or any other guarantor, make advances for the purpose of performing any obligations of Franchisee under the Agreement, and/or assign the Agreement or the right to receive any sum payable under the Agreement, and the undersigned each hereby jointly and severally waive notice of same. The undersigned expressly acknowledge that the obligations hereunder survive the expiration or termination of the Agreement.

In addition, the undersigned each waive any defense arising by reason of any of the following: (a) any disability, counterclaim, right of set-off or other defense of Franchisee, (b) any lack of authority of Franchisee with respect to the Agreement, (c) the cessation from any cause whatsoever of the liability of Franchisee, (d) any circumstance whereby the Agreement shall be void or voidable as against Franchisee or any of its creditors, including a trustee in bankruptcy of Franchisee, by reason of any fact or circumstance, (e) any event or circumstance that might otherwise constitute a legal or equitable discharge of the undersigned's obligations hereunder, except that the undersigned do not waive any defense arising from the due performance by Franchisee of the terms and conditions of the Agreement, (f) any right or claim of right to cause a marshaling of the assets of Franchisee or any other guarantor, and (g) any act or omission of Franchisee.

If Franchisor is required to enforce this Guaranty in a judicial proceeding, and prevail in such proceeding, Franchisor shall be entitled to reimbursement of its costs and expenses, including, but not limited to, reasonable accountants', attorneys', attorneys' assistants', and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses, and travel and living expenses, whether incurred prior to, in preparation for, or in contemplation of the filing of any such proceeding. If Franchisor is required to engage legal counsel in connection with any

failure by the undersigned to comply with this Guaranty, the undersigned shall reimburse Franchisor for any of the above-listed costs and expenses it incurs.

Subject to the mediation and arbitration obligations under the Agreement (with which each of the undersigned agrees to comply) and the provisions below, each of the undersigned agrees that all actions arising under this Guaranty or the Agreement, or otherwise as a result of the relationship between Franchisor and the undersigned, must be brought exclusively in the state or federal court of general jurisdiction in the state, and in (or closest to) the city, where Franchisor maintains its principal business address at the time that the action is brought. Each of the undersigned irrevocably submits to the jurisdiction of those courts and waives any objection he, she or it might have to either the jurisdiction of or venue in those courts. Nonetheless, each of the undersigned agrees that Franchisor may enforce this Guaranty and any arbitration orders and awards in the courts of the state or states in which he, she or it is domiciled or has assets. EACH OF THE UNDERSIGNED IRREVOCABLY WAIVES TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, ARISING UNDER OR RELATING TO THIS GUARANTY OR ITS ENFORCEMENT.

*[Signature Page Follows]*

**IN WITNESS WHEREOF**, each of the undersigned has affixed his or her signature on the same day and year as the Agreement was executed.

**GUARANTOR(S)**

**PERCENTAGE OF OWNERSHIP IN  
FRANCHISEE**

\_\_\_\_\_  
[Signature]

\_\_\_\_\_  
[Print Name]

\_\_\_\_\_  
[Signature]

\_\_\_\_\_  
[Print Name]

\_\_\_\_\_  
[Signature]

\_\_\_\_\_  
[Print Name]

\_\_\_\_\_  
[Signature]

\_\_\_\_\_  
[Print Name]

\_\_\_\_\_  
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\_\_\_\_\_  
%

**EXHIBIT D**  
**TO THE**  
**DECIMAL® FRANCHISE AGREEMENT**

**KEY PERSONNEL AGREEMENT**

**THIS KEY PERSONNEL AGREEMENT (“Key Personnel Agreement”)** is made and entered into as of this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, regardless of the date of the parties’ signatures, between Decimal Franchising, LLC (“**Franchisor**”), and the individuals and/or entities whose names and signatures appear below (collectively, the “**Key Personnel**” or, individually, a “**Key Person**”).

1. Franchisor and \_\_\_\_\_ (“**Franchisee**”) have signed, or are considering signing, a Franchise Agreement under which Franchisor will grant Franchisee the right to develop and operate a Decimal Business in or around \_\_\_\_\_ (the “**Agreement**”). All capitalized terms used but not defined in this Key Personnel Agreement shall have the meanings in the Agreement. Each Key Person acknowledges that (a) he, she, or it is an owner (whether direct or indirect) of Franchisee or otherwise has a direct or indirect relationship with Franchisee or its affiliate; (b) he, she or it will benefit significantly from Franchisor’s entering into the Agreement with Franchisee, and (c) Franchisor would not enter into or will not enter into (as applicable) the Agreement unless each Key Person agrees to sign and comply with the terms of this Key Personnel Agreement.

2. Each Key Person agrees, on behalf of himself, herself or itself and not on behalf of any other Key Person, that:

(a) during the period of his, her or its association with Franchisee, Key Person agrees to be personally bound by and comply with Sections 6.E., 11.C. and 12 of the Agreement;

(b) if Key Person is an Owner, Key Person agrees to be personally bound by and comply with Sections 13.B., 13.C., 13.D., 13.F. and 13.H. of the Agreement;

(c) beginning with the date upon which the Agreement expires or terminates or the date upon which Key Person has no further association with Franchisee (whether as an Owner, officer, manager and/or key employee or otherwise), whichever is earlier, Key Person agrees to be personally bound by and comply with Sections 16.B.(2)-~~and~~, 16.D. and 16.F. of the Agreement; and

(d) during the period beginning on the date of this Key Personnel Agreement and ending on the date upon which these obligations are satisfied in full or by their nature expire, Key Person agrees to be personally bound by and comply with Section 11.A. of the Agreement.

3. Each Key Person represents and warrants to Franchisor that he, she or it has reviewed the Agreement and understands the obligations arising under this Key Personnel Agreement. The obligations described the Sections of the Agreement listed above shall apply to

each Key Person pursuant to this Key Personnel Agreement, regardless of whether those obligations (as they appear in the Agreement) are imposed upon Franchisee, its Owners, or both, as if Key Person were the Franchisee under the Agreement. The liabilities and obligations arising under Section 2 of this Key Personnel Agreement are independent liabilities and obligations of each Key Person and are not contingent or conditioned upon Franchisor's pursuit of any remedies against Franchisee, any other Key Person, or any other person or entity. The liabilities and obligations arising under Section 2 of this Key Personnel Agreement will not be diminished, relieved, or otherwise affected by any extension of time or credit, the acceptance of any partial payment or performance, or the compromise or release of any claims.

4. Each provision of this Key Personnel Agreement is severable, and if any provision or part of a provision is held to be invalid or in conflict with any applicable present or future law or regulation, the other portions of this Key Personnel Agreement that remain otherwise intelligible will continue to be given full force and effect and bind the parties. If any covenant is deemed unenforceable by virtue of its scope, but would be enforceable by reducing any part or all of it, the parties agree that such covenant will be enforced to the fullest extent permissible under the laws and public policies applied in the jurisdiction whose law determines the covenant's validity. Any waiver of any Key Person's obligations under this Key Personnel Agreement must be in writing to be enforceable and will be without prejudice to any other rights Franchisor may have. Franchisor's failure to enforce any of the provisions of this Key Personnel Agreement is not a waiver of such provision.

5. This Key Personnel Agreement, together with the Agreement, supersedes all prior agreements and understandings, whether oral and written, among the parties relating to its subject matter, and there are no oral or other written understandings, representations, or agreements among the parties relating to the subject matter of this Key Personnel Agreement. This Key Personnel Agreement may be executed in multiple counterparts, but all such counterparts together shall be considered one and the same instrument. The provisions of this Key Personnel Agreement may be amended or modified only by written agreement signed by the party to be bound.

6. All controversies, disputes or claims arising out of or related to this Key Personnel Agreement or the relationship between any Key Person and Franchisor will be governed by the laws of the State of Delaware, without regard to its conflict of laws rules. If Franchisor is required to enforce this Key Personnel Agreement in a judicial proceeding, and prevails in such proceeding, Franchisor shall be entitled to reimbursement of its costs and expenses, including, but not limited to, reasonable accountants', attorneys', attorneys' assistants', and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses, and travel and living expenses, whether incurred prior to, in preparation for, or in contemplation of the filing of any such proceeding. If Franchisor is required to engage legal counsel in connection with any failure by any Key Person to comply with this Key Personnel Agreement, that Key Person shall reimburse Franchisor for any of the above-listed costs and expenses it incurs.

7. Subject to the mediation and arbitration obligations under the Agreement and the provisions below, each Key Person agrees that all actions arising under this Key Personnel Agreement or the Agreement, or otherwise as a result of the relationship between Franchisor and each Key Person, must be brought exclusively in the state or federal court of general jurisdiction in the state, and in (or closest to) the city where Franchisor maintains its principal business address

at the time that the action is brought. Each Key Person irrevocably submits to the jurisdiction of those courts and waives any objection he, she or it might have to either jurisdiction or venue. Notwithstanding the foregoing, Franchisor may bring an action for a temporary restraining order or for temporary or preliminary injunctive relief, or to enforce an arbitration award or this Key Personnel Agreement, in any court in the jurisdiction in which the applicable Key Person resides or any of his, her or its assets are located. EACH KEY PERSON IRREVOCABLY WAIVES TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER FRANCHISOR OR KEY PERSON.

**IN WITNESS WHEREOF**, the parties have executed and delivered this Key Personnel Agreement effective on the date stated on the first page above.

**FRANCHISOR:**

**DECIMAL FRANCHISING, LLC**, a  
Delaware limited liability company

By: \_\_\_\_\_

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

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

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

**KEY PERSON:**

\_\_\_\_\_  
[Signature]

\_\_\_\_\_  
[Print Name]

\_\_\_\_\_  
[Position]

\_\_\_\_\_  
[Signature]

\_\_\_\_\_  
[Print Name]

\_\_\_\_\_  
[Position]

\_\_\_\_\_  
[Signature]

\_\_\_\_\_  
[Print Name]

\_\_\_\_\_  
[Position]

**EXHIBIT B**

**STATE ADDENDA**

**ADDITIONAL DISCLOSURES FOR THE  
FRANCHISE DISCLOSURE DOCUMENT OF  
DECIMAL FRANCHISING, LLC**

The following are additional disclosures for the Franchise Disclosure Document of Decimal Franchising, LLC required by various state franchise laws. Each provision of these additional disclosures will only apply to you if the applicable state franchise registration and disclosure law applies to you.

**CALIFORNIA, HAWAII, ILLINOIS, INDIANA, MARYLAND, MICHIGAN, MINNESOTA, NEW YORK, NORTH DAKOTA, RHODE ISLAND, SOUTH DAKOTA, VIRGINIA, WASHINGTON, AND WISCONSIN**

The following provision applies only to franchisees and franchised Decimal Businesses that are subject to the state franchise disclosure laws in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and/or Wisconsin:

No statement, questionnaire, or acknowledgement signed or agreed to by you 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 us, any franchise seller, or any other person acting on behalf of us. This provision supersedes any other term of any document executed in connection with the franchise.

**CALIFORNIA**

1. THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.

2. SECTION 31125 OF THE FRANCHISE INVESTMENT LAW REQUIRES US TO GIVE YOU A DISCLOSURE DOCUMENT APPROVED BY THE COMMISSIONER OF BUSINESS OVERSIGHT BEFORE WE ASK YOU TO CONSIDER A MATERIAL MODIFICATION OF YOUR FRANCHISE AGREEMENT.

3. OUR WEBSITE, [www.decimalfranchise.com](http://www.decimalfranchise.com), HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THE WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT [www.dfpi.ca.gov](http://www.dfpi.ca.gov).

4. The following is added at the end of Item 3:

Neither we, our parent, predecessor or affiliates nor any person in Item 2 of the Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. Sections 78a *et seq.*, suspending or expelling such persons from membership in that association or exchange.

5. The following is added to the “Remarks” column of the line item titled “Interest”:

The highest interest rate allowed under California law is 10% annually.

6. The following paragraphs are added at the end of Item 17:

California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination or nonrenewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, and the law applies, the law will control.

The Franchise Agreement contains a covenant not to compete that extends beyond termination of the franchise. This provision might not be enforceable under California law.

The Franchise Agreement provides for termination upon bankruptcy. This provision might not be enforceable under federal bankruptcy law (11 U.S.C.A. Sections 101 et seq.).

The Franchise Agreement requires application of the laws of the State of Delaware. This provision might not be enforceable under California law.

With limited exception, the Franchise Agreement requires pre-litigation mediation and binding arbitration, each to be conducted within 10 miles of where our current principal place of business is then located (currently Indianapolis, Indiana). The Franchise Agreement also requires that any disputes excepted from arbitration must be filed in the state or federal court of general jurisdiction in the state and in (or closest to) the city in which we have our principal business address at the time of filing. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of the Franchise Agreement restricting venue to a forum outside the State of California.

The Franchise Agreement requires you to sign a general release of claims upon renewal of the Franchise Agreement or transfer of the Franchise 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 thereunder is void. Section 31512 might void a waiver of your rights under the Franchise Investment Law (California Corporations Code Section 31000 – 31516). Business and Professions Code Section 20010 might void a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 – 20043).

No statement, questionnaire, or acknowledgement signed or agreed to by you 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 us, any franchise seller, or any other person acting on behalf of us. This provision supersedes any other term of any document executed in connection with the franchise.

## **HAWAII**

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

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE 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 FDD, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS FDD 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.

Registered agent in the state authorized to receive service of process: Commissioner of Securities, Department of Commerce and Consumer Affairs, Business Registration Division, Securities Compliance Branch, 335 Merchant Street, Room 203, Honolulu, Hawaii 96813.

1. **Initial Franchise Fees.** The following is added to the end of Item 5:

The Hawaii Department of Commerce and Consumer Affairs requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the Franchise Agreement and the franchised business has opened.

2. Item 17 **shall** be supplemented by the addition of the following language at the end of the Item:

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

3. Exhibit J (**Compliance** Questionnaire) to the Franchise Disclosure Document is hereby deleted in its entirety.

## **ILLINOIS**

**Item 17, Additional Disclosures.** The following statements are added at the end of Item 17:

Illinois law governs the Franchise Agreement.

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

Your rights upon Termination and Non-Renewal of an agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

In conformance with section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act **or any other law of Illinois** is void

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.

Beginning in the 37th month after you commence operations, and for the remainder of the Franchise Agreement's term, at least 40% of your Decimal Business's Gross Revenues must be derived from clients located within your Territory. Your failure to satisfy Performance Requirements or derive the minimum amount of Gross Revenues from clients in the Territory may result in the Franchisor reducing the size of your Territory, eliminating all or part of your territorial rights, requiring you to attend additional training and/or increasing Local Marketing expenditures, or terminating the Franchise Agreement.

## **INDIANA**

**Item 17, Additional Disclosures.** The following statements are added at the end of Item 17:

The Indiana Deceptive Franchise Practices Law (Indiana Code 23-2-2.7 et seq.) in general governs the relationship between the franchisor and the franchisee by forbidding certain provisions in the franchise agreement and related documents and by preventing the franchisor from engaging in certain acts and practices which could be considered coercive or oppressive to the franchisee. If any of the provisions of the Franchise Agreement conflict with this law, this law will control.

Any provisions requiring you to sign a general release of claims against us, including upon execution of a successor Franchise Agreement, refund of initial fees, or transfer, does not release any claim you may have under the Indiana Deceptive Franchise Practices Law.

The Franchise Agreement provides that pre-litigation mediation and binding arbitration, each to be conducted within 10 miles of where our current principal place of business is then located (currently Indianapolis, Indiana). These provisions may not be enforceable under Indiana law.

Indiana franchise laws will govern the Franchise Agreement, and any and all other related documents.

## **MARYLAND**

1. The following is added to the end of Item 5:

Based upon the franchisor's financial conditions, the Maryland Securities Commissioner has requested financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement, and the franchised business has opened.

2. The following is added to the end of the "Summary" sections of Item 17(c) of the Franchise Agreement chart, entitled "Requirements For Franchisee to Renew or Extend," and Item 17(m), entitled "Conditions for Franchisor Approval of Transfer":

However, any release required as a condition of renewal, sale and/or assignment/transfer will not apply to claims or liability arising under the Maryland Franchise Registration and Disclosure Law.

3. The following is added to the end of the "Summary" section of Item 17(h) of the Franchise Agreement chart, entitled "Cause" defined – non-curable defaults":

The Franchise Agreement provide for termination upon bankruptcy. This provision might not be enforceable under federal bankruptcy law (11 U.S.C. Sections 101 et seq.), but we will enforce it to the extent enforceable.

4. The following sentence is added to the end of the "Summary" section of Item 17(v) of the Franchise Agreement chart, entitled Choice of forum:

Subject to your arbitration obligations, you may bring suit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

5. The "Summary" section of Item 17(w) of the Franchise Agreement chart, entitled "Choice of law," is deleted and replaced with the following:

Except for the Federal Arbitration Act and other federal law, and except for claims arising under the Maryland Franchise Registration and Disclosure Act, the laws of the State of Delaware apply to all claims.

6. The following is added at the end of Item 17:

You must bring any claims arising under the Maryland Franchise Registration and Disclosure Law within 3 years after the grant of the franchise.

No statement, questionnaire, or acknowledgement signed or agreed to by you 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 us, any franchise seller, or any other

person acting on behalf of us. This provision supersedes any other term of any document executed in connection with the franchise.

## **MICHIGAN**

The addenda can be found after **Special Risks to Consider About *This Franchise*** near the front of the FDD.

## **MINNESOTA**

**THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE MINNESOTA FRANCHISE ACT. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF COMMERCE OF MINNESOTA OR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.**

**THE MINNESOTA FRANCHISE ACT MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WHICH IS SUBJECT TO REGISTRATION WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, AT LEAST 7 DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST 7 DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION, BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPY OF THIS PUBLIC OFFERING STATEMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE FRANCHISE. THIS PUBLIC OFFERING STATEMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR AN UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.**

1. **Initial Franchise Fees.** The following is added to the end of Item 5:

The Minnesota Department of Commerce requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the Franchise Agreement and the franchised business has opened.

2. **Trademarks.** The following is added at the end of Item 13:

The franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name. Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statutes, Section 80C.12, Subd. 1(g).

3. **Renewal, Termination, Transfer and Dispute Resolution.** The following is added at the end of Item 17:

With respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that

you be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Franchise Agreement.

Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400J might prohibit us from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial or requiring you to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or Franchise Agreement can abrogate or reduce any of Franchisee's rights as provided for in Minnesota Statutes 1984, Chapter 80C, or your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction.

Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.

The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J. Also, a court will determine if a bond is required.

The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5.

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

## **NEW YORK**

1. The following information is added to the cover page of the Franchise Disclosure Document:

**INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT I OR YOUR PUBLIC LIBRARY FOR RESOURCES OR INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN ANYTHING IN THIS FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY.**

**THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS THAT ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.**

2. The following language is added to the end of Item 3 of the Franchise Disclosure Document:

Except as provided above, the following applies to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

- A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.
- B. No such party has pending actions, other than routine litigation incidental to the business, that are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.
- C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10-years immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.
- D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of Item 5 of the Franchise Disclosure Document:

The initial franchise fee constitutes part of our general operating funds and will be used as such in our discretion.

4. The following language is added to the end of the “Summary” sections of Item 17(c), titled Requirements for a franchisee to renew or extend, and Item 17(m), titled Conditions for franchisor approval of transfer:

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; this proviso intends that the non-waiver provisions of General Business Law Sections 687(4) and 687(5) be satisfied.

5. The following language replaces the “Summary” section of Item 17(d) of the Franchise Disclosure Document, titled Termination by franchisee:

You may terminate the agreement on any grounds available by law.

6. The following language is added to the end of the “Summary” sections of Item 17(v), titled Choice of forum, and Item 17(w), titled Choice of law:

The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.

7. Franchise Questionnaires and Acknowledgements. 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.

8. Receipts. Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 et seq.), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earliest of the first personal meeting or ten (10) business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

## **NORTH DAKOTA**

1. The following is added to the end of Item 5:

The North Dakota Insurance & Securities Department requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the Franchise Agreement and the franchised business has opened.

~~2. The following is added to the end of the “Summary” section of Item 17(c), entitled Requirements for franchisee to renew or extend:~~

~~The State of North Dakota has determined that requiring a franchisee to sign a general release upon renewal of a franchise agreement is unfair, unjust, and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Any reference or requirement that a franchisee sign a general release as a condition of renewing the~~

franchise agreement is deleted, if, and then only to the extent, required by the North Dakota Franchise Investment Law.

3. The following is added to the end of the “Summary” section of Item 17(m) of the Franchise Agreement chart, entitled Conditions for franchisor approval of transfer:

However, any release required as a condition of sale and/or assignment/transfer will not apply to the extent prohibited by the North Dakota Franchise Investment Law.

4. The following is added to the end of the “Summary” section of Item 17(i) of the Franchise Agreement chart, entitled Franchisee’s obligations on termination/non renewal:

The Commissioner has determined termination or liquidated damages to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. However, we and you agree to enforce these provisions to the extent the law allows.

5. The following is added to the end of the “Summary” section of Item 17(r) of the Franchise Agreement chart, entitled Non competition covenants after the franchise is terminated or expires:

Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota; however, we and you will enforce the covenants to the maximum extent the law allows.

6. The following is added to the end of the “Summary” section of Item 17(u) of the Franchise Agreement chart, entitled Dispute resolution by arbitration or mediation:

The State of North Dakota has determined that parties agreeing to the arbitration or mediation of disputes at a location that is remote from the site of the franchisee’s business is unfair, unjust, or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. If, and then only to the extent, required by the North Dakota Franchise Investment Law (unless such a requirement is preempted by the Federal Arbitration Act), the site of arbitration or mediation will be agreeable to all parties and may not be remote from the franchisee’s place of business.

7. The following is added to the end of the “Summary” section of Item 17(v) of the Franchise Agreement chart, entitled Choice of forum:

To the extent required by the North Dakota Franchise Investment Law, but subject to your arbitration obligations, you may bring an action in North Dakota.

8. The following is added to the end of the “Summary” section of Item 17(w) of the Franchise Agreement chart, entitled Choice of law:

Except for federal law, North Dakota law applies.

9. The following is added to the end of the Franchise Agreement chart in Item 17:

The State of North Dakota has determined that a Franchise Disclosure Document, Franchise Agreement, and/or Supplemental Agreements requiring the waiver of a trial by jury to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Any reference or requirement in the Franchise Disclosure Document, Franchise Agreement, and/or Supplemental Agreements that a franchisee waive a jury trial is deleted, if, and then only to the extent, required by the North Dakota Franchise Investment Law.

The State of North Dakota has determined that a Franchise Disclosure Document, Franchise Agreement, and/or Supplemental Agreements requiring a franchisee to consent to a waiver of exemplary and punitive damages to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Any reference or requirement in the Franchise Disclosure Document, Franchise Agreement, and/or Supplemental Agreements that a franchisee consent, or that the parties mutually consent, to a waiver of exemplary and punitive damages is deleted, if, and then only to the extent, required by the North Dakota Franchise Investment Law.

~~The State of North Dakota has determined that requiring a franchisee to consent to a limitation of claims to be unfair, unjust, and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. The limitation of claims period is governed by North Dakota law, if, and then only to the extent, required by the North Dakota Franchise Investment Law.~~

## **RHODE ISLAND**

1. The following is added to the end of the “Summary” section of Item 17(v) of the Franchise Agreement charts, entitled Choice of forum:

To the extent required by applicable law, but subject to your arbitration obligations, however, you may bring an action in Rhode Island for claims arising under the Rhode Island Franchise Investment Act.

2. The “Summary” section of Item 17(w) of the Franchise Agreement chart, entitled Choice of law, is deleted and replaced with the following:

Except for Federal Arbitration Act and other federal law, and except as otherwise required by the Rhode Island Franchise Investment Act, the laws of the State of Delaware apply to all claims.

## **SOUTH DAKOTA**

The following is added to the end of Item 5:

The South Dakota Securities Regulation Office requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the Franchise Agreement and the franchised business has opened.

## **VIRGINIA**

1. The following is added to the end of the “Summary” section of Item 17(h) of the Franchise Agreement chart, entitled “Cause” defined – non-curable defaults:

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee to surrender any rights given to him under the franchise. If any provision of the franchise agreement involves the use of undue influence by the franchisor to induce a franchisee to surrender any rights given to him under the franchise, that provision may not be enforceable. 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.

2. The following language is added to the end of the “Summary” section of Item 17(r) of the Franchise Disclosure Document, captioned “Non-competition covenants after the franchise is terminated or expires”:

Effective July 1, 2026, under subdivision A 4 of § 13.1-563 of the Virginia Retail Franchising Act (“Act”), it is unlawful to offer or enter into a franchise agreement that restricts the right of a franchisee to engage in the business of offering, selling, or distributing goods or services at retail after termination or expiration of the franchise agreement. However, subsection B of § 13.1-563 of the Act provides that if a franchisee sells a franchise at a mutually agreed upon price to a third party or back to the franchisor, such sale may include a term restricting the right of such franchisee to engage in the business of offering, selling, or distributing goods or services at retail for a period of no more than two years after such sale.

3. The following language is added to the end of the “Summary” section of Item 17(w) of the Franchise Disclosure Document, captioned “Choice of Law”:

Effective July 1, 2026, under subsection D of § 13.1-559 of the Virginia Retail Franchising Act, for all franchises located in Virginia, the franchise contract or agreement offered or entered into pursuant to terms of this chapter shall be governed by the laws of the Commonwealth of Virginia.

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

No statement, questionnaire, or acknowledgement signed or agreed to by you 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 us, any franchise seller, or any other person acting on behalf of us. This provision supersedes any other term of any document executed in connection with the franchise.

35. The following Risk Factor is added to the State Cover Page:

**Estimated Initial Investment.** The franchisee will be required to make an estimated initial investment ranging from \$~~46,300~~60,050 to \$~~1,110,800~~1,134,550. This amount exceeds the franchisor's stockholders' equity as of ~~June 30~~December 31, 2025, which is ~~(\$150,000)~~14,290.

## **WASHINGTON**

(See State-Specific Addendum to the Franchise Agreement.)

**THE FOLLOWING PAGES IN THIS EXHIBIT ARE  
STATE-SPECIFIC ADDENDATO THE  
FRANCHISE AGREEMENT**

**ADDENDUM TO THE  
FRANCHISE AGREEMENT  
FOR USE IN CALIFORNIA**

**THIS ADDENDUM** (this “**Addendum**”) is made and entered into this \_\_\_ day of \_\_\_\_\_, 20\_\_ by and between **Decimal Franchising, LLC**, a Delaware limited liability company with its principal place of business at 7951 Westfield Blvd., Indianapolis, Indiana 46240 (“**Franchisor**,” “**we**” or “**us**”), and \_\_\_\_\_, a \_\_\_\_\_ with its principal place of business at \_\_\_\_\_ (“**Franchisee**” or “**you**”).

1.     **BACKGROUND.** We and you are parties to that certain Franchise Agreement dated \_\_\_\_\_, 20\_\_ (the “Franchise Agreement”). This Addendum is annexed to and forms part of the Franchise Agreement. This Addendum is being signed because (a) the offer or sale of the franchise for the Decimal Business you will operate under the Franchise Agreement was made in the State of California and you are a California resident, and/or (b) the Decimal Business will operate in California.

2.     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.

*[Signature Page Follows]*

**IN WITNESS WHEREOF**, the parties have executed this Addendum to the Franchise Agreement on the date stated on the first page.

**FRANCHISOR**

**DECIMAL FRANCHISING, LLC, A**  
Delaware limited liability company

By:\_\_\_\_\_

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

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

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

**FRANCHISEE**

\_\_\_\_\_  
[Name and State of Organization]

By:\_\_\_\_\_

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

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

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

**ADDENDUM TO THE  
FRANCHISE AGREEMENT  
FOR USE IN HAWAII**

**THIS ADDENDUM** (this “**Addendum**”) is made and entered into this \_\_\_ day of \_\_\_\_\_, 20\_\_ by and between **Decimal Franchising, LLC**, a Delaware limited liability company with its principal place of business at 7951 Westfield Blvd., Indianapolis, Indiana 46240 (“**Franchisor**,” “**we**” or “**us**”), and \_\_\_\_\_, a \_\_\_\_\_ with its principal place of business at \_\_\_\_\_ (“**Franchisee**” or “**you**”).

1.     **BACKGROUND.** We and you are parties to that certain Franchise Agreement dated \_\_\_\_\_, 20\_\_ (the “Franchise Agreement”). This Addendum is annexed to and forms part of the Franchise Agreement. This Addendum is being signed because (a) the Decimal Business that Franchisee will operate under the Franchise Agreement will be located in Hawaii, (b) any of the franchise offer or sales activity occurred in Hawaii, and/or (c) Franchisee is a resident of Hawaii.

2.     **INITIAL FRANCHISE FEES.** The following is added to the end of Section 5.A of the Franchise Agreement:

The Hawaii Department of Commerce and Consumer Affairs requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the Franchise Agreement and the franchised business has opened.

**IN WITNESS WHEREOF**, the parties have executed this Addendum to the Franchise Agreement on the date stated on the first page.

**FRANCHISOR**

**DECIMAL FRANCHISING, LLC**, A  
Delaware limited liability company

By: \_\_\_\_\_

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

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

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

**FRANCHISEE**

\_\_\_\_\_  
[Name and State of Organization]

By: \_\_\_\_\_

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

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

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

**ADDENDUM TO THE  
FRANCHISE AGREEMENT  
FOR USE IN ILLINOIS**

**THIS ADDENDUM** (this “**Addendum**”) is made and entered into this \_\_\_ day of \_\_\_\_\_, 20\_\_ by and between **Decimal Franchising, LLC**, a Delaware limited liability company with its principal place of business at 7951 Westfield Blvd., Indianapolis, Indiana 46240 (“**Franchisor**,” “**we**” or “**us**”), and \_\_\_\_\_, a \_\_\_\_\_ with its principal place of business at \_\_\_\_\_ (“**Franchisee**” or “**you**”).

1.     **BACKGROUND.** We and you are parties to that certain Franchise Agreement dated \_\_\_\_\_, 20\_\_ (the “Franchise Agreement”). This Addendum is annexed to and forms part of the Franchise Agreement. This Addendum is being signed because (a) any of the offering or sales activity relating to the Franchise Agreement occurred in Illinois and the Decimal Business that you will operate under the Franchise Agreement will be located in Illinois, and/or (b) you are domiciled in Illinois.

2.     The following statements are added at the end of the Franchise Agreement:

Illinois law governs the Franchise Agreement.

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

Your rights upon Termination and Non-Renewal of an agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

In conformance with section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act **or any other law of Illinois** is void.

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.

Beginning in the 37th month after you commence operations, and for the remainder of the Franchise Agreement’s term, at least 40% of your Decimal Business’s Gross Revenues must be derived from clients located within your Territory. Your failure to satisfy Performance Requirements or derive the minimum amount of Gross Revenues from clients in the Territory may result in the Franchisor reducing the size of your Territory, eliminating all or part of your territorial rights, requiring you to attend additional training and/or increasing Local Marketing expenditures, or terminating the Franchise Agreement.

*[Signature Page Follows]*

**IN WITNESS WHEREOF**, the parties have executed this Addendum to the Franchise Agreement on the date stated on the first page.

**FRANCHISOR**

**DECIMAL FRANCHISING, LLC, A**  
Delaware limited liability company

By: \_\_\_\_\_

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

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

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

**FRANCHISEE**

\_\_\_\_\_  
[Name and State of Organization]

By: \_\_\_\_\_

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

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

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

**ADDENDUM TO THE  
FRANCHISE AGREEMENT  
FOR USE IN MARYLAND**

**THIS ADDENDUM** (this “**Addendum**”) is made and entered into this \_\_\_ day of \_\_\_\_\_, 20\_\_ by and between **Decimal Franchising, LLC**, a Delaware limited liability company with its principal place of business at 7951 Westfield Blvd., Indianapolis, Indiana 46240 (“**Franchisor**,” “**we**” or “**us**”), and \_\_\_\_\_, a \_\_\_\_\_ with its principal place of business at \_\_\_\_\_ (“**Franchisee**” or “**you**”).

1. **BACKGROUND.** We and you are parties to that certain Franchise Agreement dated \_\_\_\_\_, 20\_\_ (the “Franchise Agreement”). This Addendum is annexed to and forms part of the Franchise Agreement. This Addendum is being signed because (a) you are domiciled in Maryland, and/or (b) the Decimal Business that you will operate under the Franchise Agreement will be located in Maryland.

2. **INITIAL FRANCHISE FEES.** The following is added to the end of Section 5.A of the Franchise Agreement:

Based upon the franchisor’s financial conditions, the Maryland Securities Commissioner has requested financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement, and the franchised business has opened.

3. **RELEASES.** The following is added to the end of Sections 13.C.(3), 13.E., 14.B.(3) and 16.E.(5) of the Franchise Agreement:

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

4. **GOVERNING LAW.** The following sentence is added to the end of Section 18.H. of the Franchise Agreement:

Despite anything to the contrary stated above, and to the extent required by applicable law, Maryland law will apply to claims arising under the Maryland Franchise Registration and Disclosure Law.

5. **CONSENT TO JURISDICTION.** The following is added to the end of Section 18.I. of the Franchise Agreement:

However, subject to your arbitration obligations, nothing in this Section affects your right under the Maryland Franchise Registration and Disclosure Law to bring a lawsuit in Maryland for claims arising under that law.

6. **LIMITATION OF CLAIMS.** The following sentence is added to the end of Section 18.L. of the Franchise Agreement:

Any limitation of claims will not act to reduce the three-year statute of limitations afforded you for bringing a claim under the Maryland Franchise Registration and Disclosure Law.

**IN WITNESS WHEREOF**, the parties have executed this Addendum to the Franchise Agreement on the date stated on the first page.

**FRANCHISOR**

**DECIMAL FRANCHISING, LLC, A**  
Delaware limited liability company

By: \_\_\_\_\_

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

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

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

**FRANCHISEE**

\_\_\_\_\_  
[Name and State of Organization]

By: \_\_\_\_\_

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

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

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

**ADDENDUM TO THE  
FRANCHISE AGREEMENT  
FOR USE IN MINNESOTA**

**THIS ADDENDUM** (this “**Addendum**”) is made and entered into this \_\_\_ day of \_\_\_\_\_, 20\_\_ by and between **Decimal Franchising, LLC**, a Delaware limited liability company with its principal place of business at 7951 Westfield Blvd., Indianapolis, Indiana 46240 (“**Franchisor**,” “**we**” or “**us**”), and \_\_\_\_\_, a \_\_\_\_\_ with its principal place of business at \_\_\_\_\_ (“**Franchisee**” or “**you**”).

1. **BACKGROUND.** We and you are parties to that certain Franchise Agreement dated \_\_\_\_\_, 20\_\_ (the “Franchise Agreement”). This Addendum is annexed to and forms part of the Franchise Agreement. This Addendum is being signed because (a) the Decimal Business that you will operate under the Franchise Agreement will be located in Minnesota; and/or (b) any of the offering or sales activity relating to the Franchise Agreement occurred in Minnesota.

2. **INITIAL FRANCHISE FEES.** The following is added to the end of Section 5.A of the Franchise Agreement:

The Minnesota Department of Commerce requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the Franchise Agreement and the franchised business has opened.

3. **RELEASES.** The following is added to the end of Sections 13.C.(3), 13.E., 14.B.(3) and 16.E.(5) of the Franchise Agreement:

Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.

4. **SUCCESSOR TERM AND TERMINATION.** The following is added to the end of Sections 14 and 15 of the Franchise Agreement:

However, with respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that you be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice of non-renewal of this Agreement.

5. **NOTIFICATION OF INFRINGEMENT AND CLAIMS.** The following sentence is added to the end of Section 10.C. of the Franchise Agreement:

We will protect your rights to use the Marks or indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the Marks. Minnesota considers it unfair to not protect your right to use the Marks. Refer to Minnesota Statutes, Section 80C.12, Subd. 1(g).

6. **GOVERNING LAW.** The following statement is added at the end of Section 18.H. of the Franchise Agreement:

NOTHING IN THIS AGREEMENT WILL ABROGATE OR REDUCE ANY OF YOUR RIGHTS UNDER MINNESOTA STATUTES CHAPTER 80C OR YOUR RIGHT TO

ANY PROCEDURE, FORUM OR REMEDIES THAT THE LAWS OF THE JURISDICTION PROVIDE.

7. **CONSENT TO JURISDICTION.** The following is added to the end of Section 18.I. of the Franchise Agreement:

NOTWITHSTANDING THE FOREGOING, MINN. STAT. SEC. 80C.21 AND MINN. RULE 2860.4400J PROHIBIT US, EXCEPT IN CERTAIN SPECIFIED CASES, FROM REQUIRING LITIGATION TO BE CONDUCTED OUTSIDE OF MINNESOTA. NOTHING IN THIS AGREEMENT WILL ABROGATE OR REDUCE ANY OF YOUR RIGHTS UNDER MINNESOTA STATUTES CHAPTER 80.C OR YOUR RIGHTS TO ANY PROCEDURE, FORUM OR REMEDIES THAT THE LAWS OF THE JURISDICTION PROVIDE.

8. **INJUNCTIVE RELIEF.** The following is added to the end of Sections 18.F., 18.G. and 18.I. of the Franchise Agreement:

You cannot consent to our obtaining injunctive relief. We may seek injunctive relief. See Minn. Rules 2860.4400J. Also, a court will determine if a bond is required.

9. **MUTUAL WAIVER OF JURY TRIAL AND PUNITIVE DAMAGES.** If, and then only to the extent, required by the Minnesota Franchises Law, Section 18.J. of the Franchise Agreement is deleted.

10. **LIMITATION OF CLAIMS.** The following is added to the end of Section 18.L. of the Franchise Agreement:

The Limitation of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5.

11. 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.

*[Signature Page Follows]*

**IN WITNESS WHEREOF**, the parties have executed this Addendum to the Franchise Agreement on the date stated on the first page.

**FRANCHISOR**

**DECIMAL FRANCHISING, LLC, A**  
Delaware limited liability company

By:\_\_\_\_\_

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

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

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

**FRANCHISEE**

\_\_\_\_\_  
[Name and State of Organization]

By:\_\_\_\_\_

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

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

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

**ADDENDUM TO THE  
FRANCHISE AGREEMENT FOR USE IN THE  
STATE OF NEW YORK**

**THIS ADDENDUM** (this “**Addendum**”) is made and entered into this \_\_\_ day of \_\_\_\_\_, 20\_\_ by and between **Decimal Franchising, LLC**, a Delaware limited liability company with its principal place of business at 7951 Westfield Blvd., Indianapolis, Indiana 46240 (“**Franchisor**,” “**we**” or “**us**”), and \_\_\_\_\_, a \_\_\_\_\_ with its principal place of business at \_\_\_\_\_ (“**Franchisee**” or “**you**”).

1. **BACKGROUND.** We and you are parties to that certain Franchise Agreement dated \_\_\_\_\_, (the “Franchise Agreement”). This Addendum is being signed because (a) you are domiciled in the State of New York and the Decimal Business that you will operate under the Franchise Agreement will be located in New York, and/or (b) any of the offering or sales activity relating to the Franchise Agreement occurred in New York.

2. **RELEASES.** The following is added to the end of Sections 13.C.(3), 13.E., 14.B.(3) and 16.E.(5) of the Franchise Agreement:

Notwithstanding the foregoing, all rights enjoyed by you and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force to the extent required by the non-waiver provisions of GBL Sections 687.4 and 687.5, as amended.

3. **TERMINATION BY YOU.** The following is added to the end of Section 15.A. of the Franchise Agreement:

You also may terminate this Agreement on any grounds available by law under the provisions of Article 33 of the General Business Law of the State of New York.

4. **CONSENT TO JURISDICTION/GOVERNING LAW.** The following statement is added to the end of Sections 18.H. and 18.I. of the Franchise Agreement:

However, to the extent required by Article 33 of the General Business Law of the State of New York, this Section shall not be considered a waiver of any right conferred upon you by the provisions of Article 33 of the New York State General Business Law, as amended, and the regulations issued thereunder.

5. **LIMITATION OF CLAIMS.** The following is added to the end of Section 18.L. of the Franchise Agreement:

To the extent required by Article 33 of the General Business Law of the State of New York, all rights and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this provision that the non-waiver provisions of GBL Sections 687.4 and 687.5 be satisfied.

[Signature Page Follows]

**IN WITNESS WHEREOF**, the parties have executed this Addendum to the Franchise Agreement on the date stated on the first page.

**FRANCHISOR**

**DECIMAL FRANCHISING, LLC, A**  
Delaware limited liability company

By:\_\_\_\_\_

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

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

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

**FRANCHISEE**

\_\_\_\_\_  
[Name and State of Organization]

By:\_\_\_\_\_

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

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

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

**ADDENDUM TO THE  
FRANCHISE AGREEMENT  
FOR USE IN NORTH DAKOTA**

**THIS ADDENDUM** (this “**Addendum**”) is made and entered into this \_\_\_ day of \_\_\_\_\_, 20\_\_ by and between **Decimal Franchising, LLC**, a Delaware limited liability company with its principal place of business at 7951 Westfield Blvd., Indianapolis, Indiana 46240 (“**Franchisor**,” “**we**” or “**us**”), and \_\_\_\_\_, a \_\_\_\_\_ with its principal place of business at \_\_\_\_\_ (“**Franchisee**” or “**you**”).

1. **BACKGROUND.** We and you are parties to that certain Franchise Agreement dated \_\_\_\_\_, 20\_\_ (the “Franchise Agreement”). This Addendum is annexed to and forms part of the Franchise Agreement. This Addendum is being signed because (a) you are a resident of North Dakota and the Decimal Business that you will operate under the Franchise Agreement will be located or operated in North Dakota; and/or (b) any of the offering or sales activity relating to the Franchise Agreement occurred in North Dakota.

2. **INITIAL FRANCHISE FEES.** The following is added to the end of Section 5.A of the Franchise Agreement:

The North Dakota Insurance & Securities Department requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the Franchise Agreement and the franchised business has opened.

**3. RELEASES.**

~~(a) The following is added to the end of Section 14.B.(3) of the Franchise Agreement: The State of North Dakota has determined that requiring a franchisee to sign a general release upon renewal of a franchise agreement is unfair, unjust, and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. If, and then only to the extent, required by the North Dakota Franchise Investment Law, any reference or requirement that a franchisee sign a general release as a condition of renewing the franchise agreement is deleted.~~

~~(b) The following is added to the end of Sections 13.C.(3), 13.E. and 16.E.(5) of the Franchise Agreement:~~

~~However, any release required as a condition of sale and/or assignment/transfer will not apply to the extent prohibited by the North Dakota Franchise Investment Law.~~

4. **COVENANT NOT TO COMPETE.** The following is added to the end of Sections 12 and 16.D. of the Franchise Agreement:

~~Covenants not to compete are generally considered unenforceable in the State of North Dakota; however, we will enforce the covenants to the maximum extent the law allows.~~

5. **TERMINATION AND LIQUIDATED DAMAGES.** The following is added to the end of Section 16.A. of the Franchise Agreement:

~~The Commissioner has determined termination or liquidated damages to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. However, Franchisor and Franchisee agree to enforce these provisions to the extent the law allows.~~

6. **GOVERNING LAW.** The following is added to the end of Section 18.H. of the Franchise Agreement:

~~Notwithstanding the foregoing, to the extent required by the North Dakota Franchise Investment Law, North Dakota law will apply to this Agreement.~~

7. ~~**MEDIATION AND ARBITRATION.**~~ The following is added to the end of Section 18.G. of the Franchise Agreement:

~~The State of North Dakota has determined that parties agreeing to the arbitration or mediation of disputes at a location that is remote from the site of the franchisee's business is unfair, unjust, or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. If, and then only to the extent, required by the North Dakota Franchise Investment Law (unless such a requirement is preempted by the Federal Arbitration Act), the site of arbitration or mediation will be agreeable to all parties and may not be remote from the franchisee's place of business.~~

8. ~~**CONSENT TO JURISDICTION.**~~ The following language is added to the end of Section 18.I of the Franchise Agreement:

~~However, to the extent required by applicable law, but subject to Franchisee's arbitration obligations, Franchisee may bring an action in North Dakota.~~

9. ~~**WAIVER OF JURY TRIAL.**~~ If, and then only to the extent, required by the North Dakota Franchise Investment Law, the second paragraph of Section 18.J. of the Franchise Agreement is deleted:

10. ~~**WAIVER OF PUNITIVE DAMAGES.**~~ The following language is added to the end of Section 18.J. of the Franchise Agreement:

~~The State of North Dakota has determined that a Franchise Disclosure Document, Franchise Agreement, and/or Supplemental Agreements requiring a franchisee to consent to a waiver of exemplary and punitive damages to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Any reference or requirement in the Franchise Disclosure Document, Franchise Agreement, and/or Supplemental Agreements that a franchisee consent, or that the parties mutually consent, to a waiver of exemplary and punitive damages is deleted, if, and then only to the extent, required by the North Dakota Franchise Investment Law.~~

11. ~~**LIMITATION OF CLAIMS.**~~ The following language is added to the end of Section 18.L. of the Franchise Agreement:

~~The state of North Dakota has determined that requiring a franchisee to consent to a limitation of claims to be unfair, unjust, and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. The limitation of claims period is governed by North Dakota law, if, and then only to the extent, required by the North Dakota Franchise Investment Law.~~

*[Signature Page Follows]*

**IN WITNESS WHEREOF**, the parties have executed this Addendum to the Franchise Agreement on the date stated on the first page.

**FRANCHISOR**

**DECIMAL FRANCHISING, LLC, A**  
Delaware limited liability company

By: \_\_\_\_\_

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

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

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

**FRANCHISEE**

\_\_\_\_\_  
[Name and State of Organization]

By: \_\_\_\_\_

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

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

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

**ADDENDUM TO THE  
FRANCHISE AGREEMENT  
FOR USE IN RHODE ISLAND**

**THIS ADDENDUM** (this “**Addendum**”) is made and entered into this \_\_\_ day of \_\_\_\_\_, 20\_\_ by and between **Decimal Franchising, LLC**, a Delaware limited liability company with its principal place of business at 7951 Westfield Blvd., Indianapolis, Indiana 46240 (“**Franchisor**,” “**we**” or “**us**”), and \_\_\_\_\_, a \_\_\_\_\_ with its principal place of business at \_\_\_\_\_ (“**Franchisee**” or “**you**”).

1.     **BACKGROUND.** We and you are parties to that certain Franchise Agreement dated \_\_\_\_\_, 20\_\_ (the “Franchise Agreement”). This Addendum is annexed to and forms part of the Franchise Agreement. This Addendum is being signed because (a) you are domiciled in Rhode Island and the Decimal Business that you will operate under the Franchise Agreement will be located in Rhode Island; and/or (b) any of the offering or sales activity relating to the Franchise Agreement occurred in Rhode Island.

2.     **GOVERNING LAW.** The following is added to the end of Section 18.H. of the Franchise Agreement:

Notwithstanding the foregoing, to the extent required by applicable law, Rhode Island law will apply to claims arising under the Rhode Island Franchise Investment Act.

3.     **CONSENT TO JURISDICTION.** The following language is added to the end of Section 18.I. of the Franchise Agreement:

Nonetheless, subject to your arbitration obligations, you have the right under the Rhode Island Franchise Investment Act to sue in Rhode Island for claims arising under that law.

*[Signature Page Follows]*

**IN WITNESS WHEREOF**, the parties have executed this Addendum to the Franchise Agreement on the date stated on the first page.

**FRANCHISOR**

**DECIMAL FRANCHISING, LLC, A**  
Delaware limited liability company

By: \_\_\_\_\_

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

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

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

**FRANCHISEE**

\_\_\_\_\_  
[Name and State of Organization]

By: \_\_\_\_\_

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

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

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

**ADDENDUM TO THE  
FRANCHISE AGREEMENT  
FOR USE IN SOUTH DAKOTA**

**THIS ADDENDUM** (this “**Addendum**”) is made and entered into this \_\_\_ day of \_\_\_\_\_, 20\_\_ by and between **Decimal Franchising, LLC**, a Delaware limited liability company with its principal place of business at 7951 Westfield Blvd., Indianapolis, Indiana 46240 (“**Franchisor**,” “**we**” or “**us**”), and \_\_\_\_\_, a \_\_\_\_\_ with its principal place of business at \_\_\_\_\_ (“**Franchisee**” or “**you**”).

1.     **BACKGROUND.** We and you are parties to that certain Franchise Agreement dated \_\_\_\_\_, 20\_\_ (the “Franchise Agreement”). This Addendum is annexed to and forms part of the Franchise Agreement. This Addendum is being signed because (a) you are domiciled in South Dakota and the Decimal Business that you will operate under the Franchise Agreement will be located in South Dakota; and/or (b) any of the offering or sales activity relating to the Franchise Agreement occurred in South Dakota.

2.     The following is added to the end of Section 5.A of the Franchise Agreement:

The South Dakota Securities Regulation Office requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the Franchise Agreement and the franchised business has opened.

*[Signature Page Follows]*

**IN WITNESS WHEREOF**, the parties have executed this Addendum to the Franchise Agreement on the date stated on the first page.

**FRANCHISOR**

**DECIMAL FRANCHISING, LLC, A**  
Delaware limited liability company

By: \_\_\_\_\_

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

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

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

**FRANCHISEE**

\_\_\_\_\_  
[Name and State of Organization]

By: \_\_\_\_\_

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

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

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

**ADDENDUM TO THE  
FRANCHISE AGREEMENT  
FOR USE IN VIRGINIA**

**THIS RIDER IS TO BE SIGNED ONLY IF THE FRANCHISE AGREEMENT TO WHICH IT  
RELATES IS SIGNED ON OR AFTER JULY 1, 2026.**

**THIS ADDENDUM** (this “**Addendum**”) is made and entered into this \_\_\_ day of \_\_\_\_\_, 20\_\_ by and between **Decimal Franchising, LLC**, a Delaware limited liability company with its principal place of business at 7951 Westfield Blvd., Indianapolis, Indiana 46240 (“**Franchisor**,” “**we**” or “**us**”), and \_\_\_\_\_, a \_\_\_\_\_ with its principal place of business at \_\_\_\_\_ (“**Franchisee**” or “**you**”).

In recognition of the Virginia Retail Franchising Act and its related rules and regulations, the Decimal Franchising LLC Franchise Agreement is modified as follows:

Effective July 1, 2026, the Virginia Retail Franchising Act provides as follows:

Under subdivision A 4 of § 13.1-563 of the Virginia Retail Franchising Act (“Act”), it is unlawful to offer or enter into a franchise agreement that restricts the right of a franchisee to engage in the business of offering, selling, or distributing goods or services at retail after termination or expiration of the franchise agreement. However, subsection B of § 13.1-563 of the Act provides that if a franchisee sells a franchise at a mutually agreed upon price to a third party or back to the franchisor, such sale may include a term restricting the right of such franchisee to engage in the business of offering, selling, or distributing goods or services at retail for a period of no more than two years after such sale.

Under subsection D of § 13.1-559 of the Virginia Retail Franchising Act, for all franchises located in Virginia, the franchise contract or agreement offered or entered into pursuant to terms of this chapter shall be governed by the laws of the Commonwealth of Virginia.

To the extent the Franchise Agreement includes any provision that is wholly or partially unlawful under Virginia law, the unlawful portions of the provision will be deemed to be severed from, and not to be a part of, the Franchise Agreement to the extent they are unlawful. However, any remaining lawful portions of the provision may be fully enforced.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed this Addendum to the Franchise Agreement on the date stated on the first page.

**FRANCHISOR**

**DECIMAL FRANCHISING, LLC, A**

Delaware limited liability company

By: \_\_\_\_\_

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

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

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

**FRANCHISEE**

\_\_\_\_\_  
[Name and State of Organization]

By: \_\_\_\_\_

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

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

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

**WASHINGTON ADDENDUM TO THE  
FRANCHISE DISCLOSURE DOCUMENT, THE FRANCHISE AGREEMENT AND ALL  
RELATED AGREEMENTS**

The provisions of this Addendum, which is made and entered on this \_\_\_ day of \_\_\_\_\_, 20\_\_\_, form an integral part of, are incorporated into, and modify the Franchise Disclosure Document, the Franchise Agreement dated \_\_\_\_\_, 20\_\_\_ by and between **Decimal Franchising, LLC**, a Delaware limited liability company with its principal place of business at 7951 Westfield Blvd., Indianapolis, Indiana 46240 (**"Franchisor," "we" or "us"**), and \_\_\_\_\_, a \_\_\_\_\_ with its principal place of business at \_\_\_\_\_ (**"Franchisee" or "you"**), and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

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

2. **Franchisee Bill of Rights.** RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.

3. **Site of Arbitration, Mediation, and/or Litigation.** In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

4. **General Release.** A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).

5. **Statute of Limitations and Waiver of Jury Trial.** Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

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

7. **Termination by Franchisee.** The franchisee may terminate the franchise agreement under any grounds permitted under state law.

8. **Certain Buy-Back Provisions.** Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

9. **Fair and Reasonable Pricing.** Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).

10. **Waiver of Exemplary & Punitive Damages.** RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).

11. **Franchisor's Business Judgement.** Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.

12. **Indemnification.** Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.

13. **Attorneys' Fees.** If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.

14. **Noncompetition Covenants.** Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provision contained in the franchise agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.

15. **Nonsolicitation Agreements.** RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

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

17. **Prohibitions on Communicating with Regulators.** Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to

regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

18. **Advisory Regarding Franchise Brokers.** Under the Washington Franchise Investment Protection Act, a “franchise broker” is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

19. **Initial Franchise Fees.** The following is added to the end of Item 5 of the Franchise Disclosure Document and Section 5.A of the Franchise Agreement:

The Washington Department of Financial Institutions requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the Franchise Agreement and the franchised business has opened.

20. **Decimal Business Opening.** The reference to “ninety (90) days” in Section 2.F. of the Franchise Agreement is hereby deleted and replaced with “one hundred twenty (120) days.”

21. **Brand Damages.** The first three sentences of the second paragraph of Section 16.A. are hereby deleted in their entirety and replaced with the following:

Franchisee acknowledges and confirms that Franchisor will suffer substantial damages as a result of the termination of this Agreement before the Term expires, including lost future Royalty Fees, and Brand Development Fund contributions, lost market penetration and goodwill, loss of representation in the Decimal Business’s market area, lost opportunity costs, and expenses that Franchisor will incur in developing or finding another franchisee to develop another Decimal Business in the Decimal Business’s market area (collectively, “**Brand Damages**”). Franchisor and Franchisee acknowledge that Brand Damages are difficult to estimate accurately and proof of Brand Damages would be burdensome and costly, although such damages are real and meaningful to Franchisor. Therefore, upon termination of this Agreement for any reason except pursuant to Section 15.A., Franchisee agrees to pay Franchisor, within fifteen (15) days after the date of such termination, liquidated damages in a lump sum in an amount equal to the product of (1) the average Royalty Fees and Brand Development Fund contributions that Franchisee owed Franchisor and Decimal Franchise Services during the twelve (12) full calendar month period before the month of termination (or such shorter period during which the Decimal Business operated), multiplied by (2) twenty-four (24) or the number of months then remaining in the Term had it not been terminated, whichever is less.

*[Signature Page Follows]*

**IN WITNESS WHEREOF**, the parties have executed this Addendum to the Franchise Agreement on the date stated on the first page.

**FRANCHISOR**

**DECIMAL FRANCHISING, LLC, A**  
Delaware limited liability company

By: \_\_\_\_\_

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

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

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

**FRANCHISEE**

\_\_\_\_\_  
[Name and State of Organization]

By: \_\_\_\_\_

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

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

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

**EXHIBIT C**  
**FINANCIAL STATEMENTS**

# Decimal Franchising, LLC

The Period May 2, 2025 (Inception)  
to December 31, 2025

# Decimal Franchising, LLC

The Period May 2, 2025 (Inception) to December 31, 2025

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## Independent Auditors' Report

Management  
Decimal Franchising, LLC  
Indianapolis, Indiana

We have audited the accompanying financial statements of Decimal Franchising, LLC, which comprise the balance sheet as of December 31, 2025, and the related statements of operations and member's deficiency and cash flows for the period May 2, 2025 (inception) to December 31, 2025, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Decimal Franchising, LLC as of December 31, 2025, and the results of its operations and its cash flows for the period then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Decimal Franchising, LLC and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 Decimal Franchising, LLC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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

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

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

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

*BeachFleischman PLLC*

Phoenix, Arizona  
April 27, 2026

## Decimal Franchising, LLC

### Balance Sheet

December 31, 2025

#### Assets

Current assets:

Cash and cash equivalents

\$ 499

Total current assets

499

\$ 499

#### Liabilities and Member's Deficiency

Current liabilities:

Contract liabilities

\$ 14,789

Total current liabilities

14,789

Commitments and Contingencies

Member's deficiency

(14,290)

\$ 499

## Decimal Franchising, LLC

### Statement of Operations and Member's Deficiency

The Period May 2, 2025 (Inception) to December 31, 2025

|                                      |                           |
|--------------------------------------|---------------------------|
| Revenues:                            |                           |
| Franchise fees                       | \$ 75,250                 |
| Royalties                            | <u>98</u>                 |
|                                      | <u>75,348</u>             |
| General and administrative expenses: |                           |
| Bank charges                         | 752                       |
| Contract labor                       | 75,000                    |
| Insurance                            | 808                       |
| Office                               | 299                       |
| Professional fees                    | <u>330,711</u>            |
|                                      | <u>407,570</u>            |
| Net loss                             | (332,222)                 |
| Member's equity, beginning           | -                         |
| Distributions                        | (244,468)                 |
| Contributions                        | <u>562,400</u>            |
| Member's deficiency, ending          | <u><u>\$ (14,290)</u></u> |

See notes to financial statement.

## Decimal Franchising, LLC

### Statement of Cash Flows

The Period May 2, 2025 (Inception) to December 31, 2025

|                                                                             |                      |
|-----------------------------------------------------------------------------|----------------------|
| Cash flows from operating activities:                                       |                      |
| Net loss                                                                    | <u>\$ (332,222)</u>  |
| Adjustments to reconcile net loss to net cash used in operating activities: |                      |
| Changes in operating assets and liabilities:                                |                      |
| Contract liabilities                                                        | <u>14,789</u>        |
| Total adjustments                                                           | <u>14,789</u>        |
| Net cash used in operating activities                                       | <u>(317,433)</u>     |
| Cash flows from financing activities:                                       |                      |
| Contributions                                                               | 562,400              |
| Distributions                                                               | <u>(244,468)</u>     |
| Net cash provided by financing activities                                   | <u>317,932</u>       |
| Net increase in cash and cash equivalents                                   | 499                  |
| Cash and cash equivalents, beginning                                        | <u>-</u>             |
| Cash and cash equivalents, ending                                           | <u><u>\$ 499</u></u> |

See notes to financial statement.

# Decimal Franchising, LLC

## Notes to Financial Statement

The Period May 2, 2025 (Inception) to December 31, 2025

(See Independent Auditors' Report)

1. Description of business and summary of significant accounting policies:

Description of business:

Decimal Franchising, LLC (the Company) was formed in May 2025 with initial contributions from the parent company in June 2025. The Company was set up as a franchisor of accounting service/bookkeeping companies. The Company currently has three franchisees. The Company's viability is dependent upon the strength of the accounting industry and the Company's ability to collect on its contracts.

As a limited liability company, the member's liability is limited.

Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. On an ongoing basis, management evaluates its estimates and assumptions, including those related to inputs used to recognize revenue over time. Actual results could differ materially from such estimates and assumptions.

Revenue recognition:

Franchise fees are associated with the grant of franchise rights and the provision of certain preopening services to franchisees. Preopening services generally include training, technology set-up and provisioning, access to operations manual, and launch support intended to prepare the franchisee to commence operations. The Company has elected the private company practical expedient under ASC 952-606-25-2, which permits a franchisor to account for all preopening services as a single performance obligation. The Company determined that these services are not distinct within the context of the contract, as they are highly interrelated and collectively contribute to the franchisee's ability to open and operate a franchised location.

Accordingly, the initial franchise fee related to preopening services is recognized as revenue over time as the performance obligation is satisfied. Remaining revenue for the franchise is recognized over time on a straight-line basis over the franchise term for access to intellectual property and branding during the contractual term. Franchise agreements typically have a term of 10 years, with a renewal option with a term of 5 years.

The Company recognizes revenue for franchise royalties based on a percentage equal to 5% or 10% of franchisees' gross revenue depending on the service provided to customers per month, as defined in the franchise agreements, in the period the related franchise-operated location sales occur. The Company also recognizes revenue for brand development based on a percentage equal to 2% of the franchisees' gross sales per month, as defined in the franchise agreements, in the period the related franchise-operated store sales occur.

# Decimal Franchising, LLC

## Notes to Financial Statement (continued)

The Period May 2, 2025 (Inception) to December 31, 2025

(See Independent Auditors' Report)

1. Description of business and summary of significant accounting policies (continued):

Revenue recognition (continued):

Transaction price:

The transaction price is the amount of consideration the Company expects to be entitled to in exchange for transferring services to the customer. For contracts with multiple performance obligations, the Company allocates the transaction price to each performance obligation using the best estimate of the standalone selling price of each distinct service in the contract. In cases where the Company does not provide the distinct service on a standalone basis, the primary method used to estimate standalone selling price is the expected cost plus a margin approach, which forecasts the expected costs of satisfying a performance obligation plus an appropriate margin for that distinct good or service.

Performance obligations:

Contracts are considered to contain a single performance obligation if the promise to transfer individual services is not separately identifiable from other promises in the contracts primarily because the Company provides a significant service of integrating a complex set of tasks and components into a single project or capability. Contracts that cover multiple performance phases of the service lifecycle (development, training, and support) are typically considered to have multiple performance obligations even when they are part of a single contract.

The Company bills its customers over time as the performance obligations are satisfied. Payment is due at the time the Company invoices the franchisee which corresponds with their billing of the customer.

Cash and cash equivalents:

The Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

The Company places its cash and cash equivalents with various credit institutions. At times, such investments may be in excess of the FDIC insurance limit; however, management does not believe it is exposed to any significant credit risk on cash and cash equivalents.

Contract liabilities:

Contract liabilities consist of initial franchise fees for access to intellectual property over the contractual term. There was no contract liability at May 2, 2025.

Income taxes:

The Company is a single member limited liability company and is a disregarded entity for tax purposes. Under those provisions, the Company does not pay corporate income taxes on their taxable income.

From time to time, the Company may be subject to penalties assessed by various taxing authorities, which will be classified as general and administrative expenses, if they occur.

## Decimal Franchising, LLC

### Notes to Financial Statement (continued)

The Period May 2, 2025 (Inception) to December 31, 2025

(See Independent Auditors' Report)

1. Description of business and summary of significant accounting policies (continued):

Subsequent events:

The Company's management has evaluated the events that have occurred subsequent to December 31, 2025 through April 27, 2026, the date that the financial statements were available to be issued. Management has no responsibility to update these financial statements for events and circumstances occurring after this date.

2. Franchise agreements:

The franchise agreements require the franchisee pay the Company an initial franchise fee upon the execution of the agreement. Additionally, franchisees must pay the Company a royalty fee of 5% or 10% of gross revenue depending on the service provided to customers, as well as 2% of gross revenue for access to intellectual property and branding. In exchange, the Company will provide initial training and continuing operational assistance in connection with the Company.

At December 31, 2025, there were no franchisees in the development stage.

Franchise activity during 2025 was as follows:

|                                     | Total    |
|-------------------------------------|----------|
| May 2, 2025 (Inception)             | -        |
| Franchises opened during the period | 3        |
| Franchises closed during the period | -        |
| December 31, 2025                   | <u>3</u> |

3. Related party transactions:

The Company is allocated resources and employee salaries from related parties. Expenses allocated to the Company during the period from these related parties were \$76,107. The expenses are included in contract labor, insurance, and office expenses on the statement of operations and member's deficiency. At December 31, 2025, there were no outstanding payables to these related parties.

## Decimal Franchising, LLC

### Notes to Financial Statement (continued)

The Period May 2, 2025 (Inception) to December 31, 2025

(See Independent Auditors' Report)

#### 4. Contingencies:

##### Litigation:

From time to time, the Company may be party to certain pending or threatened lawsuits arising out of or incident to the ordinary course of business for which it carries general liability and other insurance coverages. In the opinion of management and based upon consultation with legal counsel, resolution of any pending or threatened lawsuits will not have a material adverse effect on the Company's financial statements.

##### Start-up phase:

The Company is in the start-up phase and has sold three franchises for the period ended December 31, 2025.

The Company received cash contributions from the parent company.

The ability of the Company to continue as a going concern is dependent on their ability to execute on their business plan. The financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a result of this uncertainty.

#### 5. Concentrations:

Three franchisees account for 100% of total revenue for the period ended December 31, 2025.

## **EXHIBIT D**

### **OPERATIONS MANUAL TABLE OF CONTENTS**

# Decimal Franchise Operations Manual

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**EXHIBIT E-1**

**FORM OF CLIENT ACQUISITION AGREEMENT**

## CLIENT ACQUISITION AGREEMENT

This Client Acquisition Agreement (this “**Agreement**”), dated as of [DATE], is entered into between Decimal Technologies, Inc., a Delaware corporation (“**Seller**”) and [BUYER NAME], a [STATE OF ORGANIZATION] [ENTITY TYPE] (“**Buyer**”). Each of the Buyer and Seller is sometimes herein referred to individually as a “**Party**”.

### RECITALS

WHEREAS, Seller wishes to sell and assign to Buyer, and Buyer wishes to purchase and assume from Seller, the rights and obligations of Seller to the Acquired Accounts and the Assumed Liabilities (as defined herein), subject to the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

### ARTICLE I

#### DEFINITIONS

**Section 1.01 Definitions.** As used in this Agreement, the following terms shall have the following meanings:

“**Acquired Accounts**” means the existing client accounts of the Seller listed on Schedule 1.01 attached hereto.

“**Action**” means any claim, action, complaint, demand, inquiry, suit, charge, cause of action, lawsuit, arbitration, mediation, hearing, audit, Order, assessment, notice of violation, proceeding, litigation, citation, summons, subpoena, investigation, or other proceeding (public or private) in each case, of any nature, civil, criminal, administrative, judicial, investigative, regulatory or otherwise, whether at Law or in equity, public or private, that is commenced, brought, conducted or heard by or before any Governmental Entity or arbitrator.

“**Affiliate**” of a Person means another Person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such first Person. The term “**control**” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise, and the terms “controlled by” and “under common control with” have meanings correlative thereto.

“**Ancillary Agreements**” means the Promissory Note, Guaranty (as defined in the Promissory Note), Assignment and Assumption Agreement, and Franchise Agreement.

“**ARR**” means the annual recurring revenue of the Acquired Accounts, based on annualized customer subscriptions and contractual arrangements of such Acquired Accounts.

“**Client Form Agreement**” means the Seller’s form client agreement, attached hereto as Exhibit A.

“**Closing ARR**” means the ARR of the Acquired Accounts, calculated as of the Closing Date.

**“Closing Payment Amount”** means an amount in cash equal to \$[\_\_\_\_\_], which amount shall equal the Closing ARR.

**“Earnout Date ARR”** means any and all ARR relating or attributable to the Acquired Accounts, calculated as of 11:59 p.m. on the end of the last day of the Earnout Measurement Period, including any ARR relating or attributable to upsells, renewals, expansions or additional sales of products or services to the Acquired Accounts.

**“Earnout Measurement Period”** means the period beginning on the day following the Closing Date and ending on the date that is the twelve-month anniversary of the Closing Date.

**“Earnout Multiplier”** means the applicable multiplier set forth in the below table, which shall be based on the corresponding Maturity Date of the Promissory Note, as follows:

| <u>Maturity Date</u>               | <u>Earnout Multiplier</u> |
|------------------------------------|---------------------------|
| 1 Year Anniversary of Closing Date | 1.1x                      |
| 2 Year Anniversary of Closing Date | 1.2x                      |
| 3 Year Anniversary of Closing Date | 1.3x                      |
| 4 Year Anniversary of Closing Date | 1.4x                      |
| 5 Year Anniversary of Closing Date | 1.5x                      |

**“Earnout Payment”** means the payment of the Earnout Amount, if any.

**“Earnout Amount”** means a contingent payment (up to the Maximum Earnout Amount), calculated as follows:

(a) if the Earnout Date ARR is zero, then the Earnout Amount shall be \$0 and no Earnout Payment shall be owed to the Seller;

(b) if the Earnout Date ARR is equal to or greater than the Closing ARR, then the Earnout Amount shall be the Maximum Earnout Amount; and

(c) if the Earnout Date ARR is less than the Closing ARR but greater than 0, the Earnout Amount in respect thereof shall be an amount between \$0 and the Maximum Earnout Amount using a straight-line interpolation from 0 to the Maximum Earnout Amount based on the actual Earnout Date ARR. For example, if the Earnout Date ARR is 25% of the Closing ARR, then the Earnout Amount shall equal an amount equal to 25% of the Maximum Earnout Amount; if the Earnout Date ARR is 50% of the Closing ARR, then the Earnout Amount shall equal an amount equal to 50% of the Maximum Earnout Amount; and if the Earnout Date ARR is 75% of the Closing ARR, then the Earnout Amount shall equal an amount equal to 75% of the Maximum Earnout Amount.

**“Encumbrance”** means any lien, pledge, hypothecation, charge, mortgage, security interest, encumbrance, claim, infringement, interference, option, right of first refusal, right of first negotiation, license, covenant not to assert/sue or other immunity from suit, equitable interest, preemptive right, community property interest, technology escrow, title retention or title reversion agreement, prior assignment, or any other encumbrance or restriction of any nature, whether accrued, absolute, contingent or otherwise (including without limitation any restriction on the transfer or licensing of any asset, any restriction on the receipt of any income derived from any asset, any restriction on the use of any asset and any restriction on the possession, exercise or transfer of any other attribute of ownership of any asset).

**“Franchise Agreement”** means that certain Decimal® franchise agreement, dated [\_\_\_\_\_], by and between the “franchisor” (as defined therein) and Buyer.

**“Governmental Entity”** means any nation or government, any state, province or other political subdivision thereof, any entity or body entitled to exercise, any executive, legislative, judicial, police, regulatory, taxing or administrative functions, authority or power of government, including any governmental, quasi-governmental, court, tribunal, arbitrator, arbitral body or other body or administrative, regulatory or quasi-judicial authority of any nature, agency, branch, department, official, entity, board, commission or instrumentality of, in each case, any federal, state, local, municipal, supranational, foreign or any other jurisdiction.

**“Knowledge”** means a Party’s actual knowledge after reasonable inquiry of officers and other employees of such Party reasonably believed to have knowledge of such matters.

**“Law”** means all laws, constitutions, treaties, statutes, rules, binding regulations, codes, injunctions, decrees, orders, ordinances, and other pronouncements having the effect of controlling law of the United States, any foreign country or any domestic or foreign state, county, city or other political subdivision or of any Governmental Entity.

**“Liabilities”** means all liabilities, obligations or commitments of any nature whatsoever, asserted or unasserted, known or unknown, absolute or contingent, direct or indirect, liquidated or unliquidated, accrued or unaccrued, matured or unmatured or otherwise.

**“Loss”** means any loss, claim, expense, deficiency, Liability, Tax or damage whether or not arising out of third-party claims or a claim solely between the Parties to enforce the provisions of this Agreement (including interest, penalties, reasonable attorneys’ fees and expenses and reasonable amounts paid in investigation, defense or settlement of any of the foregoing or any Action and the enforcement of any rights hereunder).

**“Maximum Earnout Amount”** means the maximum amount that may be payable as an Earnout Payment hereunder, and shall be equal to (a) the Maximum Purchase Price minus (b) Closing ARR.

**“Maturity Date”** has the meaning set forth in the Promissory Note.

**“Maximum Purchase Price”** means (a) the Closing Payment Amount plus (b) the product of (i) the applicable Earnout Multiplier, and (ii) Closing ARR.

**“Order”** means any judgment, decision, verdict, mandate, decree, directive, order, subpoena, settlement, injunction, writ, stipulation, determination, charge, ruling or award of any Governmental Entity or arbitrator.

**“Person”** means an individual, a partnership, a corporation, an association, a joint stock company, a trust, a joint venture, an unincorporated organization, a Governmental Entity or another entity.

**“Tax”** means (a) any federal, state, local or foreign taxes, charges, fees, levies or other similar assessments or Liabilities of any kind in the nature of tax (including income, receipts, ad valorem, value added, excise, real or personal property, sales, occupation, service, stamp, transfer, registration, natural resources, severance, premium, windfall or excess profits, environmental, customs duties, use, licensing, withholding, employment, social security, unemployment, disability, payroll, share, capital, surplus, alternative, minimum, estimated, franchise, unclaimed property or escheat or any other taxes, charges, fees,

levies or other similar assessments or Liabilities denominated by any name whatsoever that are in the nature of tax), whether computed on a separate, consolidated, unitary or combined basis or in any other manner, and includes any interest, fines, penalties, assessments, deficiencies or additions thereto, in each case whether contested or not (b) any and all Liability for amounts described in clause (a) imposed as a result of being a member of an affiliated, consolidated, combined or unitary group, including pursuant to Treasury Regulations Section 1.1502-6 or any analogous or similar state, local or foreign Law or regulation and (c) any and all Liability for amounts described in clause (a) or (b) of any Person payable as a transferee or successor, by contract or pursuant to any Law, rule or regulation.

“**Transaction Consideration**” means the Closing Payment Amount and the Earnout Amount (if any).

## ARTICLE II

### PURCHASE AND SALE

**Section 2.01 Purchase and Sale of Acquired Accounts.** Subject to the terms and conditions set forth herein, Seller shall sell, assign, transfer, convey and deliver to Buyer, and Buyer shall purchase from Seller, all of Seller’s right, title and interest in the Acquired Accounts, free and clear of any Encumbrance.

**Section 2.02 Assumption of Liabilities.** Subject to the terms and conditions set forth herein, Buyer shall assume and agree to pay, perform and discharge the liabilities and obligations arising after the Closing (as defined herein) relating to or arising under the Acquired Accounts (collectively, the “**Assumed Liabilities**”).

**Section 2.03 Transaction Consideration.** The Transaction Consideration shall be payable as follows:

(a) Closing Payment Amount. At the Closing, Buyer shall pay the Closing Payment Amount to the Seller as follows: (i) \$[ ] in cash, by wire transfer of immediately available funds in accordance with the wire transfer instructions to the account designated in writing by the Seller on Schedule 2.03(b) attached hereto, and (ii) the remainder of the Closing Payment Amount shall be paid pursuant to the issuance of a promissory note, in substantially the form attached hereto as Exhibit B (the “**Promissory Note**”).

(b) Earnout Payment.

(i) Seller shall be entitled to receive the Earnout Amount to be determined and paid in accordance with this Section 2.03(b). An illustrative example of the calculation of the amount of the Earnout Amount payable to Seller is attached hereto as Exhibit C.

(ii) As promptly as practicable following the end of the Earnout Measurement Period (but not later thirty (30) days therefrom), Buyer shall prepare and deliver to the Seller a preliminary report (the “**Preliminary Earnout Report**”) which shall include (x) an income statement for the Earnout Measurement Period, which income statement shall be prepared on a basis consistent with the procedures and practices and accounting methods of Seller with respect to the Acquired Accounts (the “**Preliminary Earnout Statement**”), and (y) Buyer’s calculation of the Earnout Amount (the “**Preliminary Earnout Payment**”) and reasonable supporting documentation thereto.

(iii) Promptly following receipt of the Preliminary Earnout Report, Seller may review the same and, within fifteen (15) days after the date of such receipt, may deliver to Buyer a certificate setting forth any objections to the Preliminary Earnout Statement and the Preliminary Earnout Payment as set forth in the Preliminary Earnout Report, together with a summary of the reasons therefore and calculations

which, in its view, are necessary to eliminate such objections (an “**Earnout Objection Notice**”). If Seller does not so object within such fifteen (15)-day period, the Preliminary Earnout Statement and the Preliminary Earnout Payment set forth in the Preliminary Earnout Report shall be final and binding as the Earnout Statement and the Earnout Amount, respectively, for such Earnout Measurement Period for purposes of this Agreement.

(iv) If Seller timely delivers to Buyer an Earnout Objection Notice in proper form in accordance with Section 2.03(b)(ii), Buyer and Seller shall use their reasonable efforts to resolve by written agreement (the “**Agreed Earnout Adjustments**”) any differences as to the Preliminary Earnout Statement and the Preliminary Earnout Payment and, if Seller and Buyer so resolve any such differences, the Preliminary Earnout Statement and the Preliminary Earnout Payment set forth in the Preliminary Earnout Report, as adjusted by the Agreed Earnout Adjustments, shall be final and binding as the Earnout Statement and Earnout Amount, respectively, for the Earnout Measurement Period for purposes of this Agreement.

(v) If any objections raised by Seller in its Earnout Objection Notice are not resolved by the Agreed Earnout Adjustments within the fifteen (15)-day period following the receipt by Buyer of the Earnout Objection Notice, then Buyer and Seller shall submit the objections that are then unresolved to REDW LLC (or such other impartial nationally recognized firm of independent certified public accountants appointed by Buyer and Seller by mutual agreement, other than Seller’s accountants or Buyer’s accountants) (the “**Independent Accountant**”). The Independent Accountant shall resolve the unresolved objections and shall deliver to Buyer and Seller, as promptly as reasonably practicable and in any event within fifteen (15)-days after its appointment, a written report setting forth its resolution of the disputed matters determined in accordance with the terms herein. The Preliminary Earnout Statement and the Preliminary Earnout Payment, after giving effect to any Agreed Earnout Adjustments and to the resolution of disputed matters by the Independent Accountant, shall be final and binding as the Earnout Statement and the Earnout Amount, respectively, for such Earnout Measurement Period for purposes of this Agreement.

(vi) The Parties hereto shall make available to Buyer, Seller and, if applicable, the Independent Accountant, such books, records and other information (including work papers) as any of the foregoing may reasonably request to prepare or review the Preliminary Earnout Report, the Earnout Objection Notice or any matters submitted to the Independent Accountant. The fees and expenses of the Independent Accountant hereunder shall be borne equally by Buyer, on the one hand, and Seller, on the other hand.

(vii) Within sixty (60) days after the amount of any Earnout Amount has been finally determined, Buyer shall pay the Earnout Amount to Seller by wire transfer of immediately available funds in accordance with the wire transfer instructions to the account designated in writing by the Seller on Schedule 2.03(b) attached hereto.

**Section 2.04 Allocation of Transaction Consideration.** Seller and Buyer agree to allocate the Transaction Consideration among the Acquired Accounts for all purposes (including Tax and financial accounting) in accordance with Schedule 2.04 attached hereto. Buyer and Seller shall file all Tax returns (including amended returns and claims for refund) and information reports in a manner consistent with such allocation.

**Section 2.05 Withholding Tax.** Buyer shall be entitled to deduct and withhold from the Transaction Consideration all Taxes that Buyer may be required to deduct and withhold under any applicable Tax law. All such withheld amounts shall be treated as delivered to Seller hereunder.

## ARTICLE III

### CLOSING

**Section 3.01 Closing.** The closing of the transactions contemplated by this Agreement (the “**Closing**”) shall take place simultaneously with the execution of this Agreement on the date of this Agreement (the “**Closing Date**”) at the offices DLA Piper LLP (US), 200 Avenue of the Stars #40, Los Angeles, California, 90067 or remotely by exchange of documents and signatures (or their electronic counterparts). The consummation of the transactions contemplated by this Agreement shall be deemed to occur at 12:01 a.m. on the Closing Date.

#### **Section 3.02 Closing Deliverables.**

(a) At the Closing, Seller shall deliver to Buyer the following:

(i) an assignment and assumption agreement, in the form attached hereto as Exhibit D (the “**Assignment and Assumption Agreement**”), to Buyer and duly executed by Seller, effecting the assignment to and assumption by Buyer of the Acquired Accounts and the Assumed Liabilities;

(ii) a certificate pursuant to Treasury Regulations Section 1.1445-2(b) that Seller is not a foreign person within the meaning of Section 1445 of the Internal Revenue Code duly executed by Seller;

(iii) a certificate of the Secretary or Assistant Secretary (or equivalent officer) of Seller certifying as to (A) the resolutions of the board of directors of Seller, duly adopted and in effect, which authorize the execution, delivery and performance of this Agreement and the transactions contemplated hereby; and (B) the names and signatures of the officers of Seller authorized to sign this Agreement and the documents to be delivered hereunder; and

(iv) such other customary instruments of transfer, assumption, filings or documents, in form and substance reasonably satisfactory to Buyer, as may be required to give effect to this Agreement.

(b) At the Closing, Buyer shall deliver to Seller the following:

(i) the Closing Payment Amount, by wire transfer instructions to the account designated in writing by the Seller on Schedule 2.03(b) attached hereto;

(ii) the Promissory Note, duly executed by Buyer; and

(iii) the Assignment and Assumption Agreement, duly executed by Buyer.

## ARTICLE IV

### REPRESENTATIONS AND WARRANTIES OF SELLER

Seller represents and warrants to Buyer that the statements contained in this ARTICLE IV are true and correct as of the date hereof.

**Section 4.01 Organization and Authority of Seller; Enforceability.** Seller is a corporation duly organized, validly existing and in good standing under the laws of the state of Delaware. Seller has full

corporate power and authority to enter into this Agreement and the documents to be delivered hereunder, to carry out its obligations hereunder and to consummate the transactions contemplated hereby. The execution, delivery and performance by Seller of this Agreement and the documents to be delivered hereunder and the consummation of the transactions contemplated hereby have been duly authorized by all requisite corporate action on the part of Seller. This Agreement and the documents to be delivered hereunder have been duly executed and delivered by Seller, and (assuming due authorization, execution and delivery by Buyer) this Agreement and the documents to be delivered hereunder constitute legal, valid and binding obligations of Seller, enforceable against Seller in accordance with their respective terms.

**Section 4.02 Title to Acquired Accounts.** Seller owns and has good title to the Acquired Accounts, free and clear of Encumbrances.

**Section 4.03 Legal Proceedings.** There is no Action of any nature pending or, to the Knowledge of the Seller, threatened against or by Seller (a) relating to or affecting the Acquired Accounts or the Assumed Liabilities; or (b) that challenges or seeks to prevent, enjoin or otherwise delay the transactions contemplated by this Agreement.

## ARTICLE V

### REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer represents and warrants to Seller that the statements contained in this ARTICLE IV are true and correct as of the date hereof.

**Section 5.01 Organization and Authority of Buyer; Enforceability.** Buyer is a [ENTITY TYPE] duly organized, validly existing and in good standing under the laws of the state of [STATE OF ORGANIZATION]. Buyer has full corporate power and authority to enter into this Agreement and the documents to be delivered hereunder, to carry out its obligations hereunder and to consummate the transactions contemplated hereby. The execution, delivery and performance by Buyer of this Agreement and the documents to be delivered hereunder and the consummation of the transactions contemplated hereby have been duly authorized by all requisite corporate action on the part of Buyer. This Agreement and the documents to be delivered hereunder have been duly executed and delivered by Buyer, and (assuming due authorization, execution and delivery by Seller) this Agreement and the documents to be delivered hereunder constitute legal, valid and binding obligations of Buyer enforceable against Buyer in accordance with their respective terms.

**Section 5.02 No Conflicts; Consents.** The execution, delivery and performance by Buyer of this Agreement and the documents to be delivered hereunder, and the consummation of the transactions contemplated hereby, do not and will not: (a) violate or conflict with the certificate of incorporation, by-laws or other organizational documents of Buyer; or (b) violate or conflict with any judgment, order, decree, statute, law, ordinance, rule or regulation applicable to Buyer. No consent, approval, waiver or authorization is required to be obtained by Buyer from any person or entity (including any governmental authority) in connection with the execution, delivery and performance by Buyer of this Agreement and the consummation of the transactions contemplated hereby.

**Section 5.03 Legal Proceedings.** There is no Action of any nature pending or, to the Knowledge of the Buyer, threatened against or by Buyer that challenges or seeks to prevent, enjoin or otherwise delay the transactions contemplated by this Agreement. No event has occurred or circumstances exist that may give rise to, or serve as a basis for, any such Action.

**Section 5.04 Client Form Agreement.** Buyer has reviewed the Client Form Agreement (including its terms and conditions) in its entirety and acknowledges, understands and agrees that (a) the Client Form

Agreement is a form agreement only and the terms and conditions set forth therein may not govern the terms and conditions governing the Acquired Accounts, and (b) the terms and conditions governing the Acquired Accounts may vary from or be materially or adversely different from the terms and conditions set forth in the Client Form Agreement.

## ARTICLE VI

### COVENANTS

**Section 6.01 Public Announcements.** Unless otherwise required by applicable law or stock exchange requirements, neither Party shall make any public announcements regarding this Agreement or the transactions contemplated hereby without the prior written consent of the other Party (which consent shall not be unreasonably withheld or delayed).

**Section 6.02 Transfer Taxes.** All transfer, documentary, sales, use, stamp, registration, value added and other such Taxes and fees (including any penalties and interest) incurred in connection with this Agreement and the documents to be delivered hereunder shall be borne and paid by Buyer when due. Buyer shall, at its own expense, timely file any Tax return or other document with respect to such Taxes or fees (and Seller shall provide reasonable cooperation with respect thereto on reasonable advance written notice from Buyer).

**Section 6.03 Further Assurances.** Following the Closing, each of the Parties hereto shall execute and deliver such additional documents, instruments, conveyances and assurances and take such further actions as may be reasonably required to carry out the provisions hereof and give effect to the transactions contemplated by this Agreement and the documents to be delivered hereunder.

## ARTICLE VII

### INDEMNIFICATION

**Section 7.01 Survival.** All representations, warranties, covenants and agreements contained herein and all related rights to indemnification shall survive the Closing.

**Section 7.02 Indemnification By Seller.** Subject to Section 7.04, Seller shall defend, indemnify and hold harmless Buyer, its Affiliates and their respective stockholders, directors, officers and employees (collectively, the “**Buyer Indemnified Parties**”) from and against all Losses arising from or relating to:

(a) any inaccuracy in or breach of any of the representations or warranties of Seller contained in this Agreement or any document to be delivered hereunder; or

(b) any breach or non-fulfillment of any covenant, agreement or obligation to be performed by Seller pursuant to this Agreement or any document to be delivered hereunder.

**Section 7.03 Indemnification By Buyer.** Buyer shall defend, indemnify and hold harmless Seller, its Affiliates and their respective stockholders, directors, officers and employees from and against all Losses, arising from or relating to:

(a) any inaccuracy in or breach of any of the representations or warranties of Buyer contained in this Agreement or any document to be delivered hereunder;

(b) any breach or non-fulfillment of any covenant, agreement or obligation to be performed by Buyer pursuant to this Agreement or any document to be delivered hereunder; or

(c) any Assumed Liability.

**Section 7.04 Liability Cap.** Seller's maximum aggregate liability to Buyer Indemnified Parties with respect to any Losses shall equal the lower of (a) the aggregate amounts paid by Buyer to Seller under this Agreement, measured on the date that any such Loss occurs, and (b) the Maximum Purchase Price.

**Section 7.05 Indemnification Procedures.** Whenever any claim shall arise for indemnification hereunder, the Party entitled to indemnification (the "**Indemnified Party**") shall promptly provide written notice of such claim to the other Party (the "**Indemnifying Party**"). In connection with any claim giving rise to indemnity hereunder resulting from or arising out of any Action by a person or entity who is not a party to this Agreement, the Indemnifying Party, at its sole cost and expense and upon written notice to the Indemnified Party, may assume the defense of any such Action with counsel reasonably satisfactory to the Indemnified Party. The Indemnified Party shall be entitled to participate in the defense of any such Action, with its counsel and at its own cost and expense. If the Indemnifying Party does not assume the defense of any such Action, the Indemnified Party may, but shall not be obligated to, defend against such Action in such manner as it may deem appropriate, including, but not limited to, settling such Action, after giving notice of it to the Indemnifying Party, on such terms as the Indemnified Party may deem appropriate and no action taken by the Indemnified Party in accordance with such defense and settlement shall relieve the Indemnifying Party of its indemnification obligations herein provided with respect to any damages resulting therefrom. The Indemnifying Party shall not settle any Action without the Indemnified Party's prior written consent (which consent shall not be unreasonably withheld or delayed).

**Section 7.06 Tax Treatment of Indemnification Payments.** All indemnification payments made by Seller under this Agreement shall be treated by the Parties as an adjustment to the Transaction Consideration for tax purposes, unless otherwise required by law.

**Section 7.07 Effect of Investigation.** Seller shall not be liable under this ARTICLE VII for any Losses based upon or arising out of any inaccuracy in or breach of any of the representations or warranties of Seller contained in this Agreement if Buyer or any of its Owners (as defined in the Franchise Agreement) had knowledge of such inaccuracy or breach prior to the Closing.

**Section 7.08 Cumulative Remedies.** The rights and remedies provided in this ARTICLE VII are cumulative and are in addition to and not in substitution for any other rights and remedies available at Law or in equity or otherwise.

## ARTICLE VIII

### MISCELLANEOUS

**Section 8.01 Expenses.** All costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the Party incurring such costs and expenses.

**Section 8.02 Notices.** All notices, requests, consents, claims, demands, waivers and other communications hereunder shall be in writing and shall be deemed to have been given (a) when delivered by hand (with written confirmation of receipt); (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested); (c) on the date sent by e-mail of a PDF document (with confirmation of transmission) if sent during normal business hours of the recipient, and on the next business day if sent after normal business hours of the recipient; or (d) on the third day after the date mailed, by certified

or registered mail, return receipt requested, postage prepaid. Such communications must be sent to the respective Parties at the following addresses (or at such other address for a Party as shall be specified in a notice given in accordance with this Section 8.02):

|                                                     |                                                                                                                                                                 |
|-----------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| If to Seller:                                       | 600 N Broad Street, Suite 5 PMB 8121<br>Middletown, Delaware 19709<br>E-mail: matt@decimal.com<br>Attention: Matt Tait                                          |
| with a copy (which shall not constitute notice) to: | DLA Piper LLP (US)<br>200 Avenue of the Stars #40<br>Los Angeles, California 90067<br>E-mail: Matthew.Gruenberg@us.dlapiper.com<br>Attention: Matthew Gruenberg |
| If to Buyer:                                        | [BUYER ADDRESS]<br>E-mail: [E-MAIL ADDRESS]<br>Attention: [TITLE OF OFFICER TO RECEIVE NOTICES]                                                                 |
| with a copy (which shall not constitute notice) to: | [BUYER LAW FIRM]<br>[BUYER LAW FIRM ADDRESS]<br>E-mail: [E-MAIL ADDRESS]<br>Attention: [ATTORNEY NAME]                                                          |

**Section 8.03 Headings.** The headings in this Agreement are for reference only and shall not affect the interpretation of this Agreement.

**Section 8.04 Severability.** If any term or provision of this Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction.

**Section 8.05 Entire Agreement.** This Agreement, the Ancillary Agreements and the documents to be delivered hereunder constitute the sole and entire agreement of the Parties to this Agreement with respect to the subject matter contained herein, and supersede all prior and contemporaneous understandings and agreements, both written and oral, with respect to such subject matter. In the event of any inconsistency between the statements in the body of this Agreement and the documents to be delivered hereunder, the statements in the body of this Agreement will control.

**Section 8.06 Successors and Assigns.** This Agreement shall be binding upon and shall inure to the benefit of the Parties hereto and their respective successors and permitted assigns. Buyer may not assign its rights or obligations hereunder without the prior written consent of the Seller, which consent may be withheld in Seller's sole and absolute discretion. Seller shall be entitled to freely assign this Agreement or any other Ancillary Agreement without restriction. No assignment shall relieve the assigning Party of any of its obligations hereunder.

**Section 8.07 No Third-Party Beneficiaries.** Except as provided in ARTICLE VIII, this Agreement is for the sole benefit of the Parties hereto and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

**Section 8.08 Amendment and Modification.** This Agreement may only be amended, modified or supplemented by an agreement in writing signed by each Party hereto.

**Section 8.09 Waiver.** No waiver by any Party of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the Party so waiving. No waiver by any Party shall operate or be construed as a waiver in respect of any failure, breach or default not expressly identified by such written waiver, whether of a similar or different character, and whether occurring before or after that waiver. No failure to exercise, or delay in exercising, any right, remedy, power or privilege arising from this Agreement shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

**Section 8.10 Governing Law.** This Agreement shall be governed by and construed in accordance with the internal laws of the State of Delaware without giving effect to any choice or conflict of law provision or rule (whether of the State of Delaware or any other jurisdiction).

**Section 8.11 Mandatory Pre-Arbitration Mediation.**

(a) Except as otherwise provided in this Section 8.11 or Section 8.12, prior to filing any arbitration proceeding to resolve any controversy, dispute, or claim between Seller (and its Affiliates and its and their respective owners, officers, directors, managers, agents and employees, as applicable) and Buyer (and its Affiliates and its and their respective owners, officers, directors, managers, agents and employees, as applicable), and which arise out of or are related to this Agreement or any Ancillary Agreement, such controversy, dispute or claim will be submitted for mediation. All Parties must attend and participate in the mediation. It is the intent of the Parties that mediation shall be held not later than fourteen (14) days after a written request for mediation shall have been served on the other Parties.

(b) The mediation will be held before one (1) mediator selected by the Parties, and if the Parties cannot agree upon the mediator, then a mediator shall be selected by the American Arbitration Association (the “AAA”). The mediation shall not last more than one (1) day and shall be held at a suitable location to be chosen by the mediator which is within ten (10) miles of Seller’s principal business address at the time that the mediation action is submitted. The mediator has no authority to establish a different mediation location. The mediation shall be governed by the rules of the AAA. If Buyer and Seller do not resolve the dispute through mediation, then thereafter any Party may submit the dispute for arbitration, in accordance with Section 8.12. The obligation to mediate shall not be binding upon either Party with respect to claims relating to the Marks (as defined in the Franchise Agreement), any other intellectual property that is part of the Franchise System (as defined in the Franchise Agreement), to requests by either Party for temporary restraining orders, preliminary injunctions or other procedures in a court of competent jurisdiction to obtain interim relief.

**Section 8.12 Arbitration.**

(a) All controversies, disputes or claims between Buyer (and its Affiliates and its and their respective owners, officers, directors, managers, agents and employees, as applicable) and Seller (and its Affiliates and its and their respective owners, officers, directors, managers, agents and employees, as applicable) that cannot be resolved pursuant to mediation in accordance with Section 8.11 above, and which arise out of or are related to this Agreement or any Ancillary Agreement will be submitted for arbitration to the office of the AAA closest to Seller’s then current principal business address.

(b) Except as otherwise provided in this Agreement, such arbitration proceedings shall be heard by one (1) arbitrator in accordance with the then existing Commercial Arbitration Rules of the AAA. Arbitration proceedings shall be held at a suitable location to be chosen by the arbitrator which is within ten

(10) miles of Seller's principal business address at the time that the arbitration action is filed. The arbitrator has no authority to establish a different hearing locale. All matters within the scope of the Federal Arbitration Act (9 U.S.C. Sections 1 et seq.) will be governed by it and not by any state arbitration law.

(c) The arbitrator shall have the right to award or include in his or her award any relief which he or she deems proper in the circumstances, including money damages (with interest on unpaid amounts from the date due), specific performance, injunctive relief and attorneys' fees and costs, provided that: (i) the arbitrator shall not have authority to declare any Mark (as defined in the Franchise Agreement) generic or otherwise invalid; and (ii) except for punitive, exemplary, treble and other forms of multiple damages available to any Party under federal law or owed to third parties which are subject to indemnification under ARTICLE VII, Buyer and Seller waive to the fullest extent permitted by law any right to or claim for any punitive, exemplary, treble or other forms of multiple damages against the other and agree that, in the event of a dispute between them, the Party making a claim will be limited to equitable relief and to recovery of any actual damages it sustains. The award and decision of the arbitrator shall be conclusive and binding upon all Parties hereto and judgment upon the award may be entered in any court of competent jurisdiction.

(d) Buyer and Seller agree to be bound by the provisions of any limitation on the period of time by which claims must be brought under this Agreement or applicable Law, whichever expires first. Buyer and Seller further agree that, in connection with any such arbitration proceeding, each shall submit or file any claim which would constitute a compulsory counterclaim (as defined by the then current Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding as the claim to which it relates. Any such claim which is not submitted or filed in such proceeding shall be barred. The arbitrator may not consider any settlement discussions or offers that might have been made by either Buyer or Seller. Seller reserves the right, but has no obligation, to advance Buyer's share of the costs of any arbitration proceeding in order for such arbitration proceeding to take place and by doing so will not be deemed to have waived or relinquished Seller's right to seek the recovery of those costs in accordance with Section 8.15.

(e) Seller and Buyer agree that arbitration shall be conducted on an individual, not a class-wide, basis, that only Seller (and its Affiliates and its and their respective owners, officers, directors, managers, agents and employees, as applicable) and Buyer (and its Affiliates and its and their respective owners, officers, directors, managers, agents and employees, as applicable) may be the parties to any arbitration proceeding described in this Section 8.12, and that no such arbitration proceeding shall be consolidated with any other arbitration proceeding involving Seller and/or any other Person. Notwithstanding the foregoing or anything to the contrary in this Section 8.12, or Section 8.04, if any court or arbitrator determines that all or any part of the preceding sentence is unenforceable with respect to a dispute that otherwise would be subject to arbitration under this Section 8.12, then Seller and Buyer agree that this arbitration clause shall not apply to that dispute and that such dispute will be resolved in a judicial proceeding in accordance with this Article VIII.

(f) The provisions of this Section 8.12 are intended to benefit and bind certain third party non-signatories and will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

(g) Notwithstanding anything to the contrary contained in this ARTICLE VIII, Seller and Buyer each have the right to obtain temporary restraining orders and temporary or preliminary injunctive Buyer from a court of competent jurisdiction.

(h) The obligation to arbitrate shall not be binding upon either Party with respect to claims relating to the Marks (as defined in the Franchise Agreement), any other intellectual property that is part of the Franchise System (as defined in the Franchise Agreement), or requests by either Party for temporary restraining orders, preliminary injunctions or other procedures in a court of competent jurisdiction to obtain interim relief.

**Section 8.13 Submission to Jurisdiction.** Subject to the mediation and arbitration obligations in ARTICLE VIII, Buyer and its Owners (as defined in the Franchise Agreement) agree that all judicial actions brought by Buyer against Seller or its Owners (as defined in the Franchise Agreement), or by Buyer or its Owners (as defined in the Franchise Agreement) against Seller, its Affiliates or its or their respective owners, officers, directors, agents, or employees, must be brought exclusively in the state or federal court of general jurisdiction in the state, and in (or closest to) the city, where Seller maintains its principal business address at the time that the action is brought. Buyer and each of its Owners (as defined in the Franchise Agreement) irrevocably submit to the jurisdiction of such courts and waives any objection that any of them may have to either jurisdiction or venue. Notwithstanding the foregoing, Seller may bring an action for a temporary restraining order or for temporary or preliminary injunctive relief, or to enforce an arbitration award, in any federal or state court in the state in which Buyer or any of its Owners resides (as defined in the Franchise Agreement) or the Decimal Business (as defined in the Franchise Agreement) is located.

**Section 8.14 Waiver of Punitive Damages and Jury Trial.** EXCEPT FOR PUNITIVE, EXEMPLARY, TREBLE AND OTHER FORMS OF MULTIPLE DAMAGES AVAILABLE TO ANY PARTY UNDER FEDERAL LAW OR OWED TO THIRD PARTIES WHICH ARE SUBJECT TO INDEMNIFICATION UNDER ARTICLE VII, SELLER AND BUYER (OR BUYER'S OWNERS (AS DEFINED IN THE FRANCHISE AGREEMENT)) WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE, EXEMPLARY, TREBLE OR OTHER FORMS OF MULTIPLE DAMAGES AGAINST THE OTHER AND AGREE THAT, IN THE EVENT OF A DISPUTE BETWEEN SELLER AND BUYER (OR BUYER'S OWNERS (AS DEFINED IN THE FRANCHISE AGREEMENT)), THE PARTY MAKING A CLAIM WILL BE LIMITED TO EQUITABLE RELIEF AND TO RECOVERY OF ANY ACTUAL DAMAGES IT SUSTAINS. SELLER AND BUYER (AND BUYER'S OWNERS (AS DEFINED IN THE FRANCHISE AGREEMENT)) IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER SELLER OR BUYER (AND BUYER'S OWNERS (AS DEFINED IN THE FRANCHISE AGREEMENT)).

**Section 8.15 Costs and Attorneys' Fees.** If either Buyer or Seller initiates a legal proceeding in connection with this Agreement or the relationship of the Parties hereto, the non-prevailing Party in such proceeding shall reimburse the prevailing Party for any costs and expenses that the prevailing Party incurs, including reasonable accounting, mediators', attorneys', arbitrators' and related fees.

**Section 8.16 Specific Performance.** The Parties agree that irreparable damage would occur if any provision of this Agreement were not performed in accordance with the terms hereof and that the Parties shall be entitled to specific performance of the terms hereof, in addition to any other remedy to which they are entitled at law or in equity.

**Section 8.17 Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed as of the date first written above by their duly authorized representatives.

DECIMAL TECHNOLOGIES, INC.

By\_\_\_\_\_

Name:

Title:

[BUYER NAME]

By\_\_\_\_\_

Name:

Title:

**EXHIBIT A**

**CLIENT FORM AGREEMENT**

A

# Terms of Service

READ THESE TERMS OF SERVICE CAREFULLY BEFORE USING THE DECIMAL PLATFORM AND SERVICE. These “Terms of Service” are entered into by and between Decimal Technologies Inc. (“**Decimal**,”), and you and your Affiliates (“**Customer**”). This Agreement states the terms and conditions that govern your access to and use of the Services.

**ARBITRATION NOTICE: THIS AGREEMENT CONTAINS A DISPUTE RESOLUTION AND ARBITRATION PROVISION, INCLUDING A CLASS ACTION WAIVER THAT AFFECTS YOUR RIGHTS UNDER THIS AGREEMENT AND WITH RESPECT TO DISPUTES YOU MAY HAVE WITH DECIMAL.**

## **1. Acceptance and Modification of Terms of Service**

By (1) executing and accepting the Decimal Order Form (2) checking a box indicating your acceptance, (3) accessing or using the Decimal Services, you agree to be bound by this Agreement and all other policies, procedures, and rules that we may publish, as well as any additional terms and conditions which we and you may agree to in writing on a valid Order Form. In the event of a conflict between the Order and the Agreement, the Agreement shall prevail, unless otherwise specified in the Order Form.

We may refuse to offer the Decimal Services to any entity, and use of the Decimal Services is not authorized in any jurisdiction that does not give effect to all provisions of the Terms of Service. If you do not agree with the Terms of Service, or you are not legally able to enter into a contract, you are not authorized to use the Decimal Services. If you are accessing and using the Decimal Services on behalf of a company (such as your employer) or other legal entity, you represent and warrant that you have the authority to bind that company or other legal entity to these terms.

## **2. Services**

### **2.1 Decimal provides Accounting Operations Services**

Decimal bundles accounting operations functions, including, but not limited to, bookkeeping, accounting, bill pay, invoicing and financial reporting, into a single platform. The Decimal Services are not a substitute for and do not include legal, tax, human resources, real estate, healthcare, investment or financial advice. For more about what the Services do and do not include, and how you can use them, please visit our website at [Decimal.com](http://Decimal.com). Subject to Customer’s compliance with this Agreement, including payment of all Fees, Customer shall be provided non-exclusive access to the Decimal Services specified in the Order Form.

### **2.2 QuickBooks® Online**

Decimal may use Intuit Inc.’s QuickBooks Online to provide the Services. If you do not already have an account, you authorize Decimal to create one for you. Your and our use of QuickBooks Online will be governed by Intuit Inc.’s Terms and Conditions and by authorizing us to create an account for you, you agree to Intuit Inc.’s .

### **2.3 Sole bookkeeper**

You agree that Decimal will be your sole bookkeeper and in performing such Services. Decimal must use, record, classify and reconcile your financial transactions and other data to prepare your books. For example, depending upon the Services Decimal provides, Decimal may have to: (a) import transactions to your books in order to reconcile your bank accounts, (b) categorize transactions in your books to expense accounts and to balance sheet accounts for amortization purposes, and/or (c) sync your payroll data via an integration or otherwise. As a result, once Decimal has performed such tasks, any modifications made by you or on your behalf (for example, by another third-party service provider) to your books may adversely impact Services previously performed by us, causing us to have to re-perform such Services in order to resolve any resulting inconsistencies or inaccuracies or to confirm that there are no such inconsistencies or inaccuracies. If you engage another third-party service provider to make changes to your books, or you otherwise make changes to your books directly, while you have engaged us to provide bookkeeping Services, the parties agree to the following remedies, which shall be at our option and in addition to any rights provided by contract, law or in equity: (i) Decimal may delay bookkeeping deliverables that are on a deadline, (ii) Decimal may charge our standard hourly fees for the additional work required to remediate the situation, and/or (iii) Decimal may terminate your subscription at any time upon written notice without a refund of prepaid fees for unelapsed months of any Services. For the avoidance of doubt, this Section 2.3 does not prevent you from managing accounts payable and/or accounts receivable in QuickBooks, and/or processing payroll through

QuickBooks. This Section 2.3 also does not prevent your CPA from requesting year end changes for tax purposes, but we ask that your CPA work with Decimal to make the changes so that there's no confusion and all implications are considered.

#### **2.4 Other Services**

Certain Services are governed by additional provisions available. If your Order Form links to these terms, the additional provisions are incorporated by reference into these terms. If your Order Form links directly to one or more of the additional provisions, the additional provisions incorporate by reference some of these terms, as stated there in Tax Terms

#### **2.5 Decimal provides the Services at the direction and for the benefit of your management**

Decimal provides the Services at the request of, and under the direction of, your management. Your management is responsible for all management decisions and performing all management functions, including (i) setting policies or accepting policy recommendations; (ii) evaluating the reasonableness of underlying assumptions and the adequacy and results of the Services; and (iii) implementation of any findings or recommendations resulting from the Services. Decimal may act upon, and will not have liability for acting upon, instructions in any form (e.g., electronic, written, oral) so long as Decimal reasonably believes that the instructions were actually given by you or on your behalf. You are responsible for the legality of your instructions to us. Decimal is not obligated to identify or offer additional Services.

Decimal prepares deliverables resulting from the Services for use by your management. In preparing deliverables, you agree that Decimal (a) does not have an obligation to independently verify the accuracy or completeness of any facts provided by you or any third party, and (b) do not undertake to update the deliverable if any facts change, unless the Order Form for the Services expressly states otherwise. If you elect to present any deliverable to any third party, such presentation must be made solely by you and not by or on behalf of us, and you agree to remove any references to us from the deliverable and/or from the presentation.

#### **2.6 Decimal needs and relies on information from you**

Decimal's provision of the Services requires that you provide access to corporate, financial and related information, information technology systems or services, and/or input from you. You agree to timely provide all such information, access and input and reasonably cooperate with us in our provision of the Services. You agree to provide good faith assumptions and accurate and complete representations, information and data, and you agree that Decimal may assume you have done so without further investigation or verification. You agree that late or insufficient information, access or input from you may cause delay in the performance of the Services, inability to provide the Services, or increase in the amount of our fees.

For the avoidance of doubt, if our performance of the Services is prevented or delayed by any act or omission by you or your agents, vendors, consultants, or employees, Decimal will not be in breach of our obligations or otherwise liable for any related costs, charges, or losses incurred by you.

#### **2.7 Unauthorized uses of the Services**

You will only use the Services and Our Technology in accordance with the Decimal Acceptable Use Policy, which is incorporated in these terms by reference. Decimal may suspend or terminate provision of the Services, in whole or in part, where we reasonably believe that any of our Services are being used in a manner that breaches the Agreement (including the Acceptable Use Policy) or creates risk of personal injury, property damage, or legal liability for us, you or any third party, or may cause us to lose the services of one of our third-party service providers, if any.

#### **2.8 Modifications to the Services**

You understand that Decimal may modify, change and/or improve our Services. You agree that Decimal may add or remove functionality or features, and that Decimal may suspend or stop part of the Services altogether. If any changes or modifications to Services are made that materially degrade the Services for which you are contracted, Decimal will provide you with 30 days written notice before the changes go into effect.

Similarly, because some of our Services are provided by our personnel, Decimal reserves the right to determine from time to time in our sole discretion the personnel assigned to provide the Services to you.

#### **2.9 Decimal is not a certified public accounting firm**

You understand and agree that Decimal is not a certified public accounting firm and does not provide services that would require a license to practice public accounting. You acknowledge that Decimal is not a member of the American Institute of Certified Public Accountants (AICPA) and is not governed by any AICPA rules. The

Services do not include, and you will not rely on them for: (i) audit, attest, examination, verification, investigation, certification, presentation, or review of financial transactions or accounting records (as such terms are used in the California Business and Professions Code Section 5000 et seq. (“**California Public Accountancy Law**”)); (ii) independent advice relating to accounting procedure or to the “recording, presentation, or certification of financial information or data” within the meaning of the California Public Accountancy Law; (iii) preparation or certification of reports on audits or examinations of books or records of account, balance sheets, and other financial, accounting and related schedules, exhibits, statements, or reports that are to be used for publication, for the purpose of obtaining credit, for filing with a court of law or with any governmental agency, or for any other purpose, as contemplated by the California Public Accountancy Law; (iv) legal or regulatory advice regarding any of your business practices, including with respect to their appropriateness or legality; or (v) unless otherwise expressly included on an Order Form, tax advice or tax return preparation (although Decimal will provide bookkeeping assistance to your tax preparer of choice, and/or you can subscribe for tax Services, which are provided separately from our bookkeeping Services). You should seek the services of a duly licensed professional in connection with any of the foregoing. In particular, in compliance with applicable law and accounting standards regarding auditor independence, Decimal cannot (and does not) make any representation or warranty whether any financial records are compliant with GAAP, IFRS or any other accounting standards or rules.

### **3. Technology and Data**

#### **3.1 Our Technology; Internal Software**

To facilitate the provision of the Services, Decimal may provide your designated users (each, a “**User**”) with access to and use of functionality of website(s), cloud software services, software tools, automated forms and other technologies developed by or for us (collectively, “**Our Technology**”). You are responsible for: (a) the confidentiality of User access credentials that are in your possession or control; (b) setting up appropriate internal roles, permissions, policies and procedures for the safe and secure use of Our Technology, (c) your Users’ use of Our Technology; and (d) your Users’ compliance with the Agreement, including our Acceptable Use Policy, and applicable laws. You must notify us promptly if you become aware, or reasonably suspect, that your account’s security has been compromised.

To efficiently provide the Services, we use certain internal technologies and tools, many of which are developed by or for us, such as integrations with Third-Party Services, software rules, checklists and other technologies (collectively, “**Internal Software**”). You agree to reasonably cooperate with us to enable us to use Internal Software in the provision of the Services and to refrain from interfering with the operation of Internal Software. If you obtain new, or make changes to, information technology systems or services that contain relevant data for the Services, you agree to notify us promptly and reasonably cooperate with us to facilitate the efficient use of Internal Software.

#### **3.2 Data use**

Decimal will use Customer Data as described in the Agreement and/or in the Decimal Privacy Policy, as updated from time to time, and for the business purposes described therein. By subscribing to any Services, you expressly consent to such use, including the use of Customer Data in Third-Party Services required for the provision of our Services, and the sharing of Customer Data across various Services for which you subscribe (e.g., bookkeeping data for tax preparation services).

You agree that Decimal may perform benchmarking studies on an aggregated basis across all or a subset of our customers, which will not contain any identifying information that can be attributed to you or any of your Users, customers, vendors, employees or representatives. You consent to our use of Customer Data for the purpose of developing and/or performing such benchmarking studies.

“**Aggregate Data**” means: (i) data derived and/or collected from or based on the Customer Data; (ii) statistical, system, usage, and configuration data regarding the Customer’s compliance with the Agreement and Customer’s usage of the Services. In any case, Aggregate Data shall: (y) not specifically identify Customer or Customer’s customers; and (z) shall not consist of any of Customer’s Confidential Information, provided, however, that Customer shall not consider statistical, aggregate data part of its Confidential Information.

Customer Content. Customer acknowledges that Customer’s use of the Services may require the processing and transmission of Customer Data to Decimal. Customer shall own all title and Intellectual Property Rights in and to the Customer Data. Notwithstanding the foregoing, when Customer or its end users uploads, submits, or stores Customer Data through the Services, Customer grants Decimal a worldwide license to use, host, store, reproduce,

modify, and create derivative works from the Customer Data to provide, support, and improve the Services. Decimal is not responsible for any electronic communications and/or Customer Data which are delayed, lost, altered, intercepted or stored during the transmission of any data by means of third-party networks. Customer acknowledges that Customer Data and information regarding Customer's account will be processed by Decimal and stored and processed using online hosting services selected by Decimal. Customer represents and warrants that it has all necessary rights in, and obtained all necessary consents to, the Customer Data to grant Decimal the rights to provide the Services to Customer. Notwithstanding anything to the contrary in the Agreement, Customer authorizes and agrees that Decimal may collect Aggregate Data and such Aggregate Data shall be the property of Decimal.

### **3.3 Acceptable Use Policy**

You agree not to misuse the Services or help anyone else to do so. For example, you must not do (or even try to do) any of the following in connection with the Services:

- (i) use the Services (a) to violate any law, statute, ordinance or regulation (including those governing export control, consumer protection, unfair competition, anti-discrimination or false advertising), including, but not limited to, transactions relating to counterfeit goods, stolen goods, illegal or controlled substances, substances that pose a risk to consumer safety, illegal online gambling/wagering, escort services, pyramid schemes, counterfeit goods, the unlicensed sale of firearms, or any type of money laundering, or (b) in connection with any of the foregoing;
  - (ii) process false or inaccurate transactions;
  - (iii) probe, scan, or test the vulnerability of any system or network;
  - (iv) breach or otherwise circumvent any security or authentication measures;
  - (v) use the Services for personal, family or household purposes;
  - (vi) transmit, store, or process protected health information subject to HIPAA;
  - (vii) abuse referrals or promotions;
  - (viii) sell the Services unless specifically authorized to do so;
  - (ix) harass or abuse Decimal personnel or representatives or agents performing services on behalf of Decimal; or
  - (x) represent our personnel, or request our personnel to act, as your employee, officer, signatory, agent or fiduciary
- Except as expressly authorized in the Agreement or by us prior to each instance, you shall not:
- (i) access, tamper with, or use non-public areas or parts of Our Technology, or shared areas of Our Technology you haven't been invited to;
  - (ii) provide Our Technology to any third party other than your Users, use Our Technology as a service bureau, or otherwise violate or circumvent any use limitations or restrictions set forth in the Agreement or Our Technology;
  - (iii) derive the source code or use tools to observe the internal operation of, or scan, probe or penetrate, Our Technology;
  - (iv) copy, modify or make derivative works of Our Technology;
  - (v) frame or mirror the Services, Our Technology, or any part thereof;
  - (vi) use Our Technology: (a) to send spam, duplicative, or unsolicited messages in violation of applicable laws or regulations; (b) to send or store material that violates the rights of a third party; (c) to send or store material containing viruses, worms, Trojan horses or other harmful computer code, files, scripts, agents or programs; or (d) for any other illegal or unlawful purpose.

You may not knowingly facilitate or aid a third party in any of the foregoing activities.

### **4. Intellectual Property Rights**

Subject to the limited rights expressly granted in the Agreement, as between the parties you retain all rights, title and interest, including all Intellectual Property Rights, in and to Customer Data. You grant us and our subcontractors a limited license to use the Customer Data to provide, protect and improve the Services and to perform our rights and obligations under this Agreement.

Subject to the limited rights expressly granted hereunder, as between the parties Decimal owns all rights, title and interest, including all Intellectual Property Rights, in and to Our Technology and Internal Software. Decimal grants your Users a non-exclusive license to use Our Technology for the purpose of facilitating the provision of our Services to you during the term of the Agreement. All rights not expressly granted in this Agreement are reserved by us.

Each party represents and warrants to the other that it has the authority, including any and all necessary consents, to grant the licenses above.

## 5. Third-Party Services

Decimal Services, Our Technology and/or Internal Software can transfer data from or to, or integrate with, Third-Party Services (e.g., your payroll software provider). We do not endorse or make any representation, warranty or promise regarding, and do not assume any responsibility for, any Third-Party Service, regardless of whether it is described as “required,” “recommended” or the like and regardless of whether the Third-Party Service is included in your Order Form. You should review applicable terms and policies, including privacy and data gathering practices, and should make whatever investigation you feel necessary or appropriate before obtaining any Third-Party Service. You agree to (a) maintain all subscriptions to Third-Party Services that we require for the provision of the Services and Our Technology or the operation of Internal Software; (b) abide by the terms of your agreements for any Third-Party Services and indemnify us and hold us harmless from any claim related to a breach by you of any such agreement or from any instructions by you to us that would constitute a breach of any such agreement, (c) set up appropriate internal roles, permissions, policies and procedures for the safe and secure use of Third-Party Services, and (d) if we agree to procure Third-Party Services for you (for example, QuickBooks Online), reimburse us for such costs. We have no obligation to provide support for Third-Party Services and do not guarantee the initial or continuing interoperability of the Services, Our Technology and Internal Software with any Third-Party Services. If a Third-Party Provider ceases to make the Third-Party Services available for interoperation with Our Technology or Internal Software for any reason, we may cease providing certain features of Our Technology and/or modify the Services without liability.

## 6. Login Credentials

If you provide Decimal with login credentials (for example, an account name or number, password, answers to security questions (collectively, “**Login Credentials**”)), you (a) give Decimal permission and a limited power of attorney to use them to login to, or create an integration with, these other third-party websites and services and access, transfer, reformat, and manipulate your account on your behalf in performance of the Agreement; and (b) represent to us that you have the authority to give us this permission. You consent to our use of Login Credentials to provide the Services and perform our rights and obligations under the Agreement. Decimal will maintain Login Credentials in encrypted form, and we will only use them pursuant to the Agreement or as otherwise directed by you.

## 7. Facilities and data transfer

Decimal requires that all facilities that Decimal uses to store Customer Data or Login Credentials adhere to reasonable security standards. As part of providing the Services, we may transfer, store and process Customer Data within the United States. By using the Services, you consent to this transfer, processing and storage of Customer Data.

## 8. Feedback

If you provide Decimal with feedback, ideas, requests, recommendations or suggestions about the Services (“**Feedback**”), then we may use that information without obligation to you, and you grant Decimal a non-exclusive, worldwide, perpetual, irrevocable license to use, reproduce, incorporate, disclose, and sublicense the Feedback for any purpose.

## 9. Personal Information

Decimal may collect and use certain information about you when you access or use our Platform or Services, as described in the Privacy Policy, available at <https://www.decimal.com/privacy>, which may be updated from time to time.

## 10. Confidentiality

### 10.1 Confidential Information defined

“**Confidential Information**” means information of one party (or its Affiliates) disclosed to the other party (“**recipient**”) pursuant to the Agreement that is marked as confidential or would normally be considered confidential information under the circumstances. Customer Data and Login Credentials are your Confidential Information. Confidential Information does not include information that (i) is known to the recipient without a confidentiality obligation prior to its disclosure to the recipient, (ii) is independently developed by the recipient without use of the other party’s Confidential Information, (iii) is rightfully shared with the recipient by a third party without confidentiality obligations, or (iv) was or becomes publicly known through no fault of the recipient.

## **10.2 Non-use and non-disclosure obligations**

Subject to Sections 10.1, the recipient will (a) use the other party's Confidential Information only to exercise rights and fulfill obligations under the Agreement, and (b) use reasonable care to protect against unauthorized disclosure of the other party's Confidential Information to any parties other than the recipient's Delegates who need to know it and who have a legal obligation to keep it confidential. The recipient agrees to ensure that its Delegates are subject to the same or substantially similar non-disclosure and non-use obligations.

## **10.3 Permitted disclosure of Confidential Information**

### **10.3.1 General**

Regardless of any other provision in the Agreement, the recipient or its Affiliates may disclose the other party's Confidential Information (a) with the other party's written consent; or (b) in connection with performing its obligations and/or enforcing its rights under the Agreement.

### **10.3.2 Legal Process notification**

The recipient will use commercially reasonable efforts to notify the other party before disclosing that party's Confidential Information in accordance with Legal Process. Notice is not required before disclosure if the recipient is legally prohibited from giving notice.

### **10.3.3 Opposition**

The recipient and its Affiliates will comply, at the expense of the other party, with the other party's reasonable requests to oppose disclosure of its Confidential Information pursuant to Legal Process.

### **10.3.4 Expenses of Production**

If (a) you request that we, or (b) we are required by law or Legal Process in a proceeding or investigation to which we are not a named party to, produce documents or personnel as witnesses, or to otherwise make information relating to the Services available to a third party, you agree to reimburse us for our professional time, at our then-current standard hourly rates, and expenses, including reasonable attorneys' fees and expenses, incurred in producing documents or personnel or providing information pursuant to such requests or requirements.

## **11. Third-Party Infrastructure**

The Services, Our Technology and Internal Software operate over the internet via networks only part of which are within our control. Our obligations in Section 10.2 apply only to networks and equipment within our control, and we are not responsible for any delay, loss, interception, or alteration of Customer Data or other Confidential Information on a network or infrastructure outside of our control.

## **12. Fees and Payment**

### **12.1 Fees**

Decimal bases our subscription fees for Services on certain facts about your business. You agree to provide us with complete and accurate information so we can determine the applicable subscription. If the information is not complete or accurate, materially changes, or you request an expanded or different scope of subscription Services, we may propose a subscription that corresponds to the revised information or your request and reserve the right to terminate the affected Services or the Agreement without liability if we are unable to reach an agreement with you on the revised subscription. Subscription fees (including fees for hourly Services subscribed for on a prepaid basis) are prepaid before or at the start of the subscription period and cannot be carried over to future subscription periods.

### **12.2 Fee updates**

Decimal may increase Subscription fees for a Renewal Term by providing written notice to Customer at least thirty (30) calendar days prior to the commencement of a Renewal Term.

Decimal may also increase Subscription fees if there is a material change in the Customer's business during a Term by providing written notice to Customer at least thirty (30) days prior to the change going into effect. Such changes may include, but are not limited to, substantial growth, new services, and Customer requests related to current services.

If no such notice is provided, Decimal reserves the right to increase fees by 5% annually for inflationary purposes at each renewal period without notice to Customer.

### **12.3 Payment**

Decimal will collect payment for the fees payable by you under the Agreement automatically via ACH or credit card through its third-party payment processor. You represent that the account you are authorizing for ACH or credit card is an account that is not primarily used for personal, familial or household purposes. By authorizing us to use ACH or credit card, you agree to the NACHA Operating Rules that govern ACH payments. Fees are exclusive

of taxes, which you're responsible for if applicable. You authorize Decimal and/or its payment processor to initiate entries to your business bank checking accounts on file with Decimal (using your business address on file) in order to pay amounts that you owe to Decimal (including for any Renewal Terms as those payments come due), and, if necessary, to initiate adjustments for any transactions credited or debited in error. We may immediately suspend provision of any or all Services if your account is past due with respect to the payment of fees for any Services or any other amounts owed by you to us. You agree to pay any fees for Services owed by your Affiliates. Except to the extent expressly set forth in the Agreement, all payments are non-refundable and non-creditable.

We reserve the right to request prepayment before starting the provision of any Services. In the case of nonpayment of any amount due and owed under the Agreement, in addition to such unpaid amounts you will reimburse us for all costs and fees incurred to collect the unpaid amounts.

### **13. Term and Termination**

#### **13.1 Initial term; Set Periods**

The Agreement is effective on the date you sign an Order Form or you otherwise agree to these terms (for example, by clicking through an online agreement). Your initial subscription term will begin at the subscription start date and continue, unless terminated earlier, for the initial period for which you have paid or owe subscription fees, or if you do not owe prepaid subscription fees then for the period set forth in your Order Form or the completion of the Services described in your Order Form (the "Initial Term"). Subscription terms for different types of Services (for example, bookkeeping and tax preparation) may differ.

Certain subscription Services involve periods set by law (for example, a tax year) or by your management (for example, a fiscal year) ("Set Periods"), and aligning the subscription term of such Services with the respective Set Period leads to operational efficiency. Therefore, if the start date of your subscription to Services differs from the start date of an applicable Set Period, you authorize us to adjust the start date of your subscription to align it to the start date of the Set Period, with a corresponding adjustment of billing dates. Such alignment of start dates will not result in an increase of your subscription fees, unless otherwise authorized by the Agreement.

#### **13.2 Automatic renewal**

Upon the end of the Initial Term and any Renewal Term, your subscription for the respective Services will automatically renew, without the need to execute a new Order Form or other agreement, for the same duration (a "**Renewal Term**") as the immediately preceding term of such Services, unless you give us non-renewal notice (via support@Decimal.com) or we give you notice to the email address associated with your account. Non-renewal notice must be provided at least sixty (60) days prior to the end of the then-current Initial Term or Renewal Term, as applicable.

#### **13.3 Termination; Withdrawal**

Either party may terminate the Agreement if the other party has materially breached the Agreement upon written notice to the breaching party of the breach and an opportunity to cure of at least 60 days.

Decimal may withdraw from providing any or all of the Services at any time by providing notice of termination of the Agreement or specific Services to you via the email address we have on file. For the avoidance of doubt, you agree that we will not be obligated to issue a refund if our withdrawal is caused by your breach of the Agreement, including your failure to pay any fees when due or to timely provide information, systems access or input that we have reasonably requested for the provision of the Services.

You may stop using the Services at any time without cause, however we will not be obligated to provide a refund of any prepaid subscription fees.

If Customer signs an annual contract that is paid monthly, Customer agrees to pay Decimal the remaining balance on the annual contract should Customer choose to end services before the end of the Initial Term or renewal term. Customer understands that Decimal puts in a lot of extra work at the beginning of a term and the prices are reflected accordingly. Prices would have been different if terms were different.

#### **13.4 Effect of termination or expiration**

In the event your subscription to accounting operations Services ends, we will be available to transfer to you the "primary administrator" status for the QuickBooks Online account that was maintained for you by Decimal, so that you can elect to maintain that subscription with Intuit or export your data.

After termination of the Agreement or any specific Services, any support or information production related to the terminated Services shall be at our sole discretion, and if we perform such support or information production you agree to reimburse us for our professional time at our then-current standard hourly rates. We do not guarantee the

availability of any documents or information after such termination. You agree that it is your responsibility to retain and protect your records for possible future use, including potential examination by any government or regulatory agencies.

#### **14. Survival**

Sections 3.2, 3.3, 3.4, 3.7, and 9 – 14 (inclusive) will survive the termination or expiration of the Agreement. Sections 3.8 and 4 will survive for three years after termination or expiration of the Agreement, and Section 7 will survive for the period set forth therein.

#### **15. Personnel Non-Solicitation**

Decimal incurs recruiting, training, education and other non-recoverable costs for the personnel assigned to provide the Services to you. We are willing to incur such costs in reliance on your promises in this Section. You agree not to solicit for hire, directly or indirectly, on behalf of yourself or for any third party, any then-current employee or contractor of ours who has been made known to you in connection with the Services (“**Covered Personnel**”) during the term of the Agreement and for one year thereafter. This Section does not prohibit you from soliciting or hiring any individual as a result of a general employment advertisement not specifically directed at Covered Personnel.

As a reasonable estimate of our personnel replacement costs and not as a penalty, you agree to pay us \$25,000 for every individual Covered Personnel who has terminated their employment or contractor relationship with us as a result of your breach of this Section.

#### **16. Using Services on Behalf of Others**

If you are using the Services on behalf of another individual or entity, you represent and warrant that you have all the authorizations and rights necessary and sufficient to do so.

#### **17. Warranty Disclaimer**

THE WARRANTIES STATED IN THIS AGREEMENT ARE THE SOLE AND EXCLUSIVE WARRANTIES OFFERED BY DECIMAL. EXCEPT AS EXPRESSLY STATED IN THE AGREEMENT, WE, OUR AFFILIATES, OUR THIRD-PARTY SERVICE PROVIDERS, AND OUR AND THEIR LICENSORS, SUPPLIERS AND DISTRIBUTORS (THE “**PROVIDER ENTITIES**”) MAKE NO WARRANTIES, EITHER EXPRESS OR IMPLIED, ABOUT THE SERVICES AND OUR TECHNOLOGY. THE SERVICES AND OUR TECHNOLOGY (INCLUDING AS INTEGRATED WITH ANY OTHER APPLICATIONS) ARE PROVIDED “AS IS” AND ON AN “AS AVAILABLE” BASIS. NO WARRANTY IS MADE THAT THE SERVICES AND OUR TECHNOLOGY OR THE RESULTS OF THEIR USE WILL MEET YOUR NEEDS OR EXPECTATIONS, WILL BE TIMELY, SECURE, UNINTERRUPTED OR ERROR-FREE, WILL BE FREE OF VIRUSES OR OTHER HARMFUL COMPONENTS, OR THE RESULTS THEREFROM WILL BE ACCURATE OR RELIABLE, AND/OR WILL COMPLY WITH ANY LAW OR LEGAL REQUIREMENT. YOU ASSUME ALL RESPONSIBILITY FOR DETERMINING WHETHER THE SERVICES OR THE INFORMATION GENERATED THEREBY IS ACCURATE OR SUFFICIENT FOR YOUR PURPOSES. WE FULLY DISCLAIM ANY WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND NON-INFRINGEMENT. IF THE EXCLUSIONS FOR IMPLIED WARRANTIES DO NOT APPLY TO YOU UNDER APPLICABLE LAW, ANY IMPLIED WARRANTIES ARE STRICTLY LIMITED TO A PERIOD OF 60 DAYS FROM THE DATE OF YOUR EXECUTION OF THE ORDER FORM, OR DELIVERY OF THE SERVICE, WHICHEVER IS SOONER.

#### **18. Limitation of Liability**

THE CONSIDERATION WHICH DECIMAL IS CHARGING HEREUNDER DOES NOT INCLUDE CONSIDERATION FOR ASSUMPTION BY THE PROVIDER ENTITIES OF THE RISK OF YOUR INCIDENTAL OR CONSEQUENTIAL DAMAGES. IN NO EVENT SHALL DECIMAL BE LIABLE TO ANYONE FOR INCIDENTAL, CONSEQUENTIAL, PUNITIVE, SPECIAL OR EXEMPLARY DAMAGES, OR INDIRECT DAMAGES OF ANY TYPE OR KIND (INCLUDING LOSS OF CUSTOMER DATA, REVENUE, PROFITS, USE OR OTHER ECONOMIC ADVANTAGE), ARISING FROM BREACH OF WARRANTY OR BREACH OF CONTRACT, OR NEGLIGENCE, OR ANY OTHER LEGAL CAUSE OF ACTION ARISING FROM OR IN CONNECTION WITH THIS AGREEMENT. EXCEPT FOR AMOUNTS DUE TO US UNDER THIS AGREEMENT AND INDEMNITY OBLIGATIONS SET FORTH IN SECTION 10 BELOW, THE MAXIMUM LIABILITY OF EITHER PARTY TO ANY PERSON, FIRM OR CORPORATION ARISING OUT OF OR IN THE CONNECTION WITH THIS AGREEMENT, WHETHER SUCH LIABILITY

ARISES FROM ANY CLAIM BASED ON BREACH OR REPUDIATION OF CONTRACT, BREACH OF WARRANTY, TORT, OR OTHERWISE, SHALL IN NO CASE EXCEED THE EQUIVALENT OF THE AMOUNT YOU PAID FOR THE NONCONFORMING SERVICES DURING THE TWELVE (12) MONTHS PRIOR TO SUCH CLAIM OR ONE HUNDRED US DOLLARS, WHICHEVER IS GREATER.

The parties acknowledge that the limitations set forth in this Section are integral to the amount of fees charged in connection with the provision of the Service and that, were Decimal to assume any further liability other than as set forth herein, such fees would have to be set substantially higher. Certain states and/or jurisdictions do not allow the exclusion of implied warranties or limitations of liability for incidental or consequential damages, so the exclusions set forth above may not apply to you.

#### **19. Indemnification**

You shall defend, indemnify and hold harmless the Provider Entities and their employees, officers, directors, consultants, representatives and agents from and against all damages, losses, liabilities, claims, demands, actions, suits, judgments, settlements, costs and expenses, including all attorneys' fees, that arise from or relate to: (a) your use of and/or our provision of the Services (except to the extent arising directly from our willful misconduct or gross negligence), (b) your violation of the Agreement that injures any third party, (c) any content, information or materials provided by you, or (d) infringement by you, or any third party using your account or identity in the Services or Our Technology, of any intellectual property or other right of any third party. We reserve the right to assume the exclusive defense and control of any matter otherwise subject to indemnification by you, in which event you agree to reasonably assist and cooperate with us in asserting any available defenses and/or defending any legal proceeding.

#### **20. Disputes; Class-action waiver**

##### **20.1 Judicial forum for disputes**

Except as set forth in Section 20.5 (Arbitration), the parties agree that any and all claims relating to the Agreement or the Services shall exclusively be brought in the federal or state courts of Indianapolis, Indiana, subject to the mandatory arbitration provisions below. Each party consents to the venue and personal jurisdiction of such courts.

##### **20.2 Notice of disputes**

If you have a dispute with us, you will promptly send written notice to: Decimal Technologies, Inc. 600 N Broad Street Suite 5 PMB 8121, Middletown, DE, 19709. You agree that if we have a dispute with you, we may contact you by sending notice to the address and/or email address listed on your Order Form.

##### **20.3 Governing law**

The Agreement shall be governed in accordance with the laws of the State of Indiana and any controlling U.S. federal law, including the Federal Arbitration Act, without regard to conflict of law principles.

##### **20.4 Informal resolution**

Before filing a claim, you and we each agree to try to resolve the dispute by contacting the other party through the notice procedures in Section 20.2 (Notice of disputes). If a dispute is not resolved within 30 days of notice, you or we may bring a formal proceeding.

##### **20.5 Arbitration**

The parties agree to resolve any and all claims relating to the Agreement or the Services through final and binding arbitration and that the provisions of the Federal Arbitration Act (FAA) (9 U.S.C. §1 *et seq.*) govern this Agreement, except as set forth below. The parties agree that the FAA will administer the arbitration under its Commercial Arbitration Rules. The arbitration will be held in Indianapolis (IN), or any other location both parties agree to in writing.

##### **20.6 Exceptions to arbitration**

In the event that either party brings a claim or cause of action solely for injunctive relief (i) under Section 3.4 above; (ii) to prevent or stop unauthorized use or abuse of the Services or, in our case, unauthorized use or abuse of Our Technology and/or Internal Software; (iii) to prevent or stop infringement of Intellectual Property Rights; (iv) relating to unlawful acts that threaten future injury to the general public (public injunctive relief); or (v) otherwise, the state and federal courts located in San Francisco County, California shall have exclusive jurisdiction over such claim or cause of action. For the avoidance of doubt, if a party brings a claim or cause of action for injunctive relief under this Section, there shall be no requirement to engage in the informal dispute notice process or arbitration process described herein.

In addition, if the dispute between the parties is for amounts that are within the jurisdiction of a small claims court,

each party has a right to opt to pursue such small claims directly in small claims court.

#### **20.7 NO CLASS ACTIONS**

THE PARTIES WAIVE ANY RIGHT TO ASSERT ANY CLAIMS AGAINST THE OTHER PARTY AS A REPRESENTATIVE OR MEMBER IN ANY CLASS OR REPRESENTATIVE ACTION, AND EACH MAY BRING CLAIMS AGAINST THE OTHER ONLY IN OUR OR YOUR INDIVIDUAL CAPACITY, EXCEPT WHERE SUCH WAIVER IS PROHIBITED BY LAW OR DEEMED BY A COURT OF LAW TO BE AGAINST PUBLIC POLICY. TO THE EXTENT EITHER PARTY IS PERMITTED BY LAW OR COURT OF LAW TO PROCEED WITH A CLASS OR REPRESENTATIVE ACTION AGAINST THE OTHER, THE PARTIES AGREE THAT: (I) THE PREVAILING PARTY SHALL NOT BE ENTITLED TO RECOVER ATTORNEYS' FEES OR COSTS ASSOCIATED WITH PURSUING THE CLASS OR REPRESENTATIVE ACTION (NOTWITHSTANDING ANY OTHER PROVISION IN THIS AGREEMENT OR BY LAW); AND (II) THE PARTY WHO INITIATES OR PARTICIPATES AS A MEMBER OF THE CLASS WILL NOT SUBMIT A CLAIM OR OTHERWISE PARTICIPATE IN ANY RECOVERY SECURED THROUGH THE CLASS OR REPRESENTATIVE ACTION.

#### **20.8 Batch arbitration**

To increase the efficiency of administration and resolution of arbitrations, in the event 100 or more similar arbitration demands (those asserting the same or substantially similar facts, and seeking the same or substantially similar relief) presented by or with the assistance or coordination of the same law firm(s) or organization(s) are submitted to AAA against us and/or our Affiliate(s) within reasonably close proximity, the arbitration provider shall (a) administer the arbitration demands in batches of 100 demands per batch (to the extent there are fewer than 100 arbitration demands left over after the batching described above, a final batch will consist of the remaining demands); (b) designate one arbitrator for each batch; and (c) provide for a single filing fee due per side per batch. Arbitrator selection for each batch shall be conducted to the greatest extent possible in accordance with the applicable AAA rules and procedures for such selection, and the arbitrator will determine the location where the proceedings will be conducted. You agree to cooperate in good faith with us and the arbitration provider to implement this "batch approach" or other similar approach to provide for an efficient resolution of claims, including the payment of single filing and administrative fees for batches of claims. This "batch arbitration" provision shall in no way be interpreted as authorizing class arbitration of any kind. We do not agree to class arbitration, private attorney general arbitration, or arbitration involving joint or consolidated claims under any circumstances, except as set forth in this section.

#### **21. Miscellaneous**

##### **21.1 Updates to these terms**

You understand and agree that from time to time we may amend these terms. We will notify you of any material changes by promptly sending an email or posting a notice in the Services. By continuing to access or use the Services after such notice, you agree that you will be deemed to have agreed to be bound by the modified terms. Notwithstanding the foregoing, if the changes have a materially adverse impact on and are not acceptable to you, then you must notify us within 30 days after receiving notice of the change (via support@Decimal.com). If we cannot accommodate your objection, then the prior terms shall remain in force until the expiration of your then-current subscription period. Any renewed subscription will be governed by the then-current terms.

##### **21.2 Severability**

If one or more of the provisions contained in the Agreement is held invalid, illegal or unenforceable in any respect by any court of competent jurisdiction, such holding will not impair the validity, legality, or enforceability of the remaining provisions.

##### **21.3 Assignment**

You may not assign the Agreement, or your rights or obligations under it (including any claim or right to sue for damages under the Agreement), in whole or in part and any such assignment is void. We may freely assign the Agreement, or our rights and obligations under it, in whole or in part.

##### **21.4 Electronic notices**

We will communicate with you via the email associated with your account with us or the Services' user interface. It is your responsibility to keep your Services account email address up to date so that you are able to receive electronic communications from us.

**21.5 Entire agreement; amendments**

The Agreement constitutes the entire agreement between the parties with respect to its subject matter, and supersedes any and all prior and contemporaneous agreements, discussions, negotiations, and offers. The parties agree that any term or condition stated in a customer purchase order or in any other customer order documentation (excluding Order Forms) is void. You acknowledge that in entering into the Agreement you have not relied on and will have no rights or remedies in respect of any statement, representation, assurance or warranty other than as expressly set out in the Agreement. Except as specifically stated otherwise in the Agreement, any amendment must be in writing, expressly state that it is amending the Agreement, and must be signed by both parties.

**21.6 Order of precedence; interpretation**

In the event of an express conflict between these terms and any Order Form, the Order Form shall take precedence and govern. Headings are for information purposes only. The Agreement shall not be interpreted against the drafter.

**21.7 Third-party beneficiaries**

The Provider Entities are intended third-party beneficiaries of Sections 9 – 11 (inclusive). Except as expressly set forth in the foregoing, there are no other third-party beneficiaries to the Agreement. All Services are for your internal purposes and use, and no third party is intended to rely on any Services, deliverables or materials provided by us.

**21.8 No employment, partnership, or agency relationship**

Each party is an independent contractor, and except as expressly set forth in the Agreement neither party has any authority to act on behalf of the other. Neither party will represent itself as agent, servant, franchisee, joint venturer, joint employer or legal partner of the other. You agree not to represent our personnel as, or request that our personnel act as, an employee, officer, agent or other representative of your entity. We are entering into the Agreement as principal and not as agent for any Affiliate, and claims under the Agreement may be brought only against us and not against any of our Affiliates.

**21.9 No Publicity**

Neither party shall make any public statement about the Agreement or the relationship of the parties governed by the Agreement that identifies the other party without the other party's prior written consent, except that while you are a customer, we may use your name and logo in customer lists on an equal footing with other customers. Customer agrees to allow Decimal use of its name and logo on the Decimal website and social media as a general client reference. Any other use of Customer's trademarks, trade name, logos, or public referrals to its relationship with Customer may not be made without Customer's prior written consent.

**21.10 Compliance**

The Services, Our Technology, and derivatives thereof may be subject to U.S. and foreign export laws and regulations. Each party represents and warrants that it is not on any U.S. government denied-party list. You will not permit any User to access or use Our Technology in Russia or in a U.S.-embargoed country or region (which includes the Crimea region, Donetsk People's Republic (DNR), Luhansk People's Republic (LNR) of Ukraine, North Korea, Iran, Cuba, and the Syrian Arab Republic) or in violation of any U.S. export law or regulation. We do not represent or warrant that the Services, Our Technology or Internal Software comply with the Health Insurance Portability and Accountability Act of 1996, as amended ("HIPAA"). You must notify us of any HIPAA compliance requirements prior to entering into the Agreement, or within 30 days of any HIPAA compliance requirements becoming applicable to you and/or us.

**21.11 Unfair Competition**

You may not use the Services, Our Technology, or any materials provided by us to build a competitive product or service or to benchmark with a product or service not provided by us.

**21.12 Waivers**

A party's failure or delay to exercise any right under the Agreement will not act as a waiver of such right. Rights may only be waived in writing signed by the waiving party.

**21.13 Force Majeure**

Notwithstanding any provision contained in the Agreement, neither party will be liable to the other to the extent performance of any obligations (other than the payment of money) under the Agreement is delayed or prevented by an act of God (e.g., a natural disaster, earthquake, accident or epidemic) or another event outside of reasonable control of the party seeking excuse of performance (e.g., acts of war, terrorism, government authority or by another third party outside the party's control).

### 21.14 Typographical errors

In the event a Service is listed at an incorrect price due to a typographical error or error in pricing information received from our partners or suppliers, we will have the right to refuse or cancel any Order Form at the incorrect price. In such event, if you have already paid the incorrect price, we will promptly refund your payment.

### 22. Definitions

**“Affiliate”** means any entity that directly or indirectly Controls, is Controlled by, or is under common Control with a party.

**“Agreement”** means these Terms of Service, the Order Form(s), including any scope(s) of work included or referenced in the Order Form(s), and all other terms and conditions agreed to in writing by you and us regarding the provision of the Services.

**“Control”** means control of greater than 20% of the voting rights or equity interests of a party.

**“Controlled”** will have the corollary meaning.

**“Customer Data”** means data provided by you or at your direction for the provision of the Services, and excerpts and reports of such data prepared as part of the Services for you. For the avoidance of doubt, industry knowledge, general inferences from Customer Data across customers (without identifying you), Our Technology, Internal Software and our workpapers are not Customer Data.

**“Decimal”** means Decimal Technologies, Inc. or an Affiliate thereof.

**“Delegates”** means employees, consultants, service providers, agents, and professional advisors of an entity or its Affiliates.

**“including”** means including, without limitation.

**“Intellectual Property Rights”** means rights recognized by any jurisdiction with respect to intellectual work product, such as patent rights (including priority rights), design rights, copyrights (including moral rights), mask work rights, trade secret rights, trademarks, service marks, know-how and domain name rights.

**“Legal Process”** means an information disclosure request made under law, governmental regulation, court order, subpoena, warrant, governmental regulatory or agency request, or other valid legal authority, legal procedure, government investigation, or similar process.

**“Order Form”** or **“Order”** means (i) the ordering document or website page that links to these terms or to a subset of these terms for specific Services (for example, to the tax services terms), and (ii) any other ordering document or workflow provided by us or on our behalf for ordering Services. Order Form expressly excludes any terms in your purchase order or other similar document provided by you in the ordering process.

**“party”** means a party to the Agreement, unless the context clearly indicates otherwise (e.g., a third party).

**“Services”** means the accounting operations services listed on an Order Form and any other accounting operations services provided to you by us or on our behalf. Unless the context clearly indicates otherwise, “Services” includes Our Technology.

**“Third-Party Service”** means any product (for example, software, cloud services), tool (for example, integration or development tools), or service (for example, implementation services) provided by a party other than us that is not acting on our behalf (a **“Third-Party Provider”**). **“we”**, and **“us”** or **“our”** means Decimal.

**“you”** and **“your”** means the person or entity listed as customer on an Order Form or, if no such person is listed, then the person or entity who accepts the Agreement when ordering Services. **“You”** shall include your Affiliates only with our prior written consent or if we knowingly and affirmatively provide Services to such Affiliates, and in such case the person or entity named on the Order Form represents that such person or entity is authorized to, and does, (a) bind your included Affiliates to the Agreement and (b) provide on behalf of your Affiliates all consents required by the Agreement. The named person or entity and all permitted and included Affiliates of yours shall be parties to the Agreement and shall be jointly and severally liable under the Agreement.

Last Updated: 10/17/2023

**EXHIBIT B**

**PROMISSORY NOTE**

**[See *Exhibit E-2 to the FDD*]**

## **EXHIBIT C**

### **ILLUSTRATIVE EARNOUT CALCULATION**

**Example #1:**

|                        |   |           |
|------------------------|---|-----------|
| Closing ARR            | = | \$100,000 |
| Closing Payment Amount | = | \$100,000 |
| Maturity Date          | = | 4 Years   |

In this example:

- The applicable Earnout Multiplier = 1.40x
- Maximum Earnout Payment = \$40,000
- Maximum Purchase Price equals \$140,000 (i.e., \$100,000 Closing Payment Amount + \$40,000 Maximum Earnout Amount).
- If the Earnout Date ARR equals \$100,000, then Seller would be entitled to an Earnout Payment of \$40,000.
- If the Earnout Date ARR equals \$75,000 (75% of the Closing ARR) then Seller would be entitled to an Earnout Payment of \$30,000 (i.e., 75% of Maximum Earnout Amount).

**Example #2:**

|                        |   |           |
|------------------------|---|-----------|
| Closing ARR            | = | \$550,000 |
| Closing Payment Amount | = | \$550,000 |
| Maturity Date          | = | 2 Years   |

In this example:

- The applicable Earnout Multiplier = 1.20x
- Maximum Earnout Payment = \$110,000
- Maximum Purchase Price equals \$660,000 (i.e., \$550,000 Closing Payment Amount + \$110,000 Maximum Earnout Amount).
- If the Earnout Date ARR equals \$550,000, then Seller would be entitled to an Earnout Payment of \$110,000.
- If the Earnout Date ARR equals \$275,000 (50% of the Closing ARR) then Seller would be entitled to an Earnout Payment of \$55,000 (i.e., 50% of Maximum Earnout Amount).

**EXHIBIT D**

**ASSIGNMENT AND ASSUMPTION AGREEMENT**

D

## ASSIGNMENT AND ASSUMPTION AGREEMENT

This Assignment and Assumption Agreement, dated as of [\_\_\_\_, \_\_\_\_\_] (this “**Agreement**”), is made and entered into by and between Decimal Technologies, Inc., a Delaware corporation (the “**Seller**”) and [\_\_\_\_\_] (“**Buyer**”).

### RECITALS

WHEREAS, Seller and Buyer have entered into a Client Acquisition Agreement, dated as of [\_\_\_\_], the “**Acquisition Agreement**”), pursuant to which Seller will sell to Buyer all of its right, title and interest in and to the Acquired Accounts (as defined in the Acquisition Agreement) and Buyer shall assume all of the Assumed Liabilities (as defined in the Acquisition Agreement), in each case, as of the effective date hereof (the “**Effective Date**”).

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

### AGREEMENT

1. **Definitions.** Capitalized terms used but not defined in this Agreement have the meanings assigned to them in the Acquisition Agreement.
2. **Assignment.** Subject to the terms and conditions of the Acquisition Agreement, and for and in consideration of the payment of good and valid consideration, the receipt and sufficiency of which are hereby acknowledged by Seller and Buyer, effective as of Effective Date, Seller hereby sells, transfers, assigns and conveys to Buyer all of its right, title and interest in and to the Acquired Accounts; and Buyer accepts all of Seller’s right, title and interest in and to, the Acquired Accounts.
3. **Assumption.** Effective as of the Effective Date, Seller hereby assigns, sells, transfers and conveys to Buyer, and Buyer hereby assumes from the Seller, all of Seller’s burdens, obligations and Liabilities in connection with each of the Assumed Liabilities.
4. **Acquisition Agreement.** Notwithstanding any other provisions of this Agreement to the contrary, each of the parties acknowledges and agrees that (a) nothing contained herein shall in any way supersede, modify, alter, replace, amend, change, rescind, waive, exceed, expand, enlarge or in any way affect the provisions or any of the rights, obligations and remedies of the parties or their Affiliates set forth in the Acquisition Agreement or any Ancillary Agreement delivered in connection therewith, (b) the scope, nature and extent of the Acquired Accounts and Assumed Liabilities are expressly set forth in the Acquisition Agreement, (c) this Agreement does not create or establish rights, liabilities or obligations not otherwise created or existing under or pursuant to the Acquisition Agreement, and (d) this Agreement is intended only to effect the assignment of the Acquired Accounts and assumption of Assumed Liabilities, in each case, as described herein as contemplated by the Acquisition Agreement.
5. **Miscellaneous.** Sections 8.02, 8.03, 8.05, 8.06, 8.07, 8.08, 8.10, 8.11, 8.12, 8.13, 8.14, 8.15, 8.16 and 8.17 of the Acquisition Agreement are incorporated by reference in this Agreement and shall apply to the terms and provisions of this Agreement and the parties hereto *mutatis mutandis*.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first written above.

**SELLER:**

DECIMAL TECHNOLOGIES, INC.

By: \_\_\_\_\_  
Name:  
Its:

**BUYER:**

[\_\_\_\_\_]

By: \_\_\_\_\_  
Name:  
Its:

**EXHIBIT E-2**

**FORM OF PROMISSORY NOTE**

## SECURED PROMISSORY NOTE

[\$amount]

Date: [date of note]

Maturity Date: [maturity date]

For value received, [name of borrower], a [\_\_\_\_\_] (“**Maker**”), hereby promises to pay to the order of Decimal Technologies, Inc., a Delaware corporation (“**Holder**”), in lawful currency of the United States, the initial principal sum of [amount] Dollars (\$[\_\_\_\_\_.\_\_]) (the “**Principal Balance**”), together with interest on the unpaid Principal Balance under this Secured Promissory Note (this “**Note**”), accruing at a fixed rate equal to one percent (1%) plus the “Wall Street Journal Prime Rate,” as such rate may change from time to time. Interest shall be computed on the basis of the actual number of days elapsed over a year of 365 days and shall be payable in arrears. This Note is being issued in connection with that certain Client Acquisition Agreement, of even date herewith, by and between Holder and Maker (the “**Client Acquisition Agreement**”). Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Client Acquisition Agreement.

**1. Payments.** Maker acknowledges and agrees that the Principal Balance, and any accrued interest on such Principal Balance, shall be due and payable in [number]([\_\_\_\_]) equal monthly installments of [amount] Dollars (\$[\_\_\_\_\_.\_\_]), with the first of such payments due on the thirtieth (30<sup>th</sup>) day following the Closing Date and each payment thereafter due on the same day of each month thereafter until all amounts under this Note are repaid in full. Notwithstanding the foregoing, all accrued interest and the outstanding Principal Balance under this Note shall automatically become due and payable, in full, on [date] (the “**Maturity Date**”), with or without a written demand from Holder. Maker shall make all payments hereunder to Holder in lawful money of the United States and in immediately available funds. Maker shall make payments at [\_\_\_\_\_] or such other place as Holder may, from time to time, direct by written notice to Maker. Holder shall give written notice to Maker of such different address pursuant to Section 9 of this Note. All payments under this Note shall be made unconditionally, indefeasibly and in full without deduction, setoff, recoupment, counterclaim, or other defense, all of which are hereby waived to the maximum extent permitted by applicable law.

**2. Security Interest.** As security for the prompt and full satisfaction of the outstanding Principal Balance of this Note, and all other sums due under this Note, Maker agrees that Holder shall have, and Maker hereby grants to and creates in favor of Holder, a first priority lien and security interest in the Acquired Accounts (together with all accessions, additions, products and proceeds, the “**Collateral**”). Maker agrees that it shall not, without the prior written consent of Holder, grant or create or permit to attach or exist any mortgage, security interest, lien, judgment, or other encumbrance of or in the Collateral or any portion thereof, other than the security interest provided for in this Note. Maker agrees that it shall preserve and protect Holder’s security interest in the Collateral. In addition to all rights and remedies given to Holder by this Note, Holder shall have all the rights and remedies of a secured party under the Uniform Commercial Code of the State of [Delaware] (the “**UCC**”). Maker and Holder agree that this Note constitutes a security agreement under the UCC. Maker agrees to provide from time to time at the request of Holder such additional documents or instruments for Holder to perfect and maintain its security interest in the Collateral. Maker consents to Holder filing or causing to be filed or recorded, such instruments, documents or notices, including assignments, financing statements and continuation statements as Holder may deem necessary or advisable from time to time in order to perfect, to continue perfected and to preserve the priority of the lien and security interest in the Collateral granted pursuant to this Note.

### 3. Default.

(a) **Late Charges.** If Holder has not received the full amount of any payment by the end of ten (10) calendar days after the date the same is due, Maker shall pay a late charge to Holder. The amount of the charge will be five percent (5%) of the overdue amount. The payment of such late charge shall not affect Holder's other rights under this Note.

(b) **Events of Default.** Upon the occurrence of any one of the following events (each an "**Event of Default**"), the entire principal amount outstanding and all accrued interest thereunder shall at the option of Holder, without any prior notice, presentment or demand, become immediately due and payable in full:

(i) Failure of Maker to make payments whenever due or upon demand, as the case may be, and the continuation of such failure for a period of fifteen (15) days; or

(ii) Failure of Maker or Guarantor to perform or observe any of Maker's covenants or agreements under this Note, the Guaranty or under the Client Acquisition Agreement; or

(iii) Maker or Guarantor shall (1) make an assignment for the benefit of creditors or petition or apply to any tribunal for the appointment of a custodian, receiver or trustee for it or a substantial part of its assets, (2) commence any proceeding under any bankruptcy, reorganization, arrangement, readjustment of debt, dissolution or liquidation law or statute of any jurisdiction, whether now or hereafter in effect, (3) have had any such petition or application filed or any such proceeding commenced against it that is not dismissed within thirty (30) days, (4) indicate, by any act or intentional and purposeful omission, its consent to, approval of or acquiescence in any such petition, application, proceeding or order for relief or the appointment of a custodian, receiver or trustee for it or a substantial part of its assets, or (5) suffer any such custodianship, receivership or trusteeship that continues undischarged for a period of thirty (30) days or more; or

(iv) The sale or other transfer by Maker of all or any material part of its property or assets except in the usual and ordinary course of the operation of its business; or a change in the general character, or suspension of any significant part, of Maker's business; or

(v) The expiration or termination (for any reason) of the Franchise Agreement.

(c) **Costs and Expenses.** If Holder has required Maker to pay immediately in full as described above, Holder will have the right to be paid back for all of its costs and expenses, including reasonable attorneys' fees, to the extent not prohibited by applicable law.

4. **Prepayment.** Maker has the right to make payment of the unpaid Principal Balance in whole or in part at any time before the Maturity Date ("**Prepayment**") without any premium or penalty. If Maker intends to make a Prepayment, Maker shall notify Holder in writing in advance of such Prepayment, and any Prepayment shall be accompanied by the payment of interest accrued to the date of such Prepayment and all costs, expenses or charges then owed to Holder pursuant to this Note; then Holder shall apply such Prepayment to reducing the outstanding Principal Balance under this Note.

5. **Waivers.** Maker hereby waives presentment, demand, notice, protest and all other notices in connection with the delivery, acceptance, performance and enforcement of this Note. Any failure or delay by Holder to exercise any right hereunder shall not be construed as a waiver of the right to exercise the same or

any other right at any other time. The waiver by Holder of a breach or default of any provision or term of this Note shall not be construed as a waiver of any subsequent breach thereof. A waiver on any one occasion shall not be construed as a bar to or waiver of any right and/or remedy on any future occasion.

**6. No Usury.** Maker and Holder intend to comply at all times with applicable usury laws. If, at any time, such laws would render usurious any amounts called for under this Note, it is Maker's and Holder's express intention that Maker shall never be required to pay interest on this Note at a rate in excess of the maximum lawful rate then allowed. The provisions of this Section 6 shall control over all other provisions of this Note, which may be in apparent conflict hereunder. Any excess amount shall be immediately refunded by Holder to Maker, and the provisions hereof shall be immediately reformed, and the amounts thereafter collectible under this Note shall be reduced, without the necessity of the execution of any further documents, so as to comply with the then applicable law, but so as to permit the recovery of the fullest amount otherwise called for under this Note. Any such refund shall not cure or waive any default by Maker under this Note. The term "applicable law" as used in this Note shall mean the laws of the State of Delaware or the laws of the United States, whichever laws allow the greater rate of interest, as such laws now exist or may be changed or amended or come into effect in the future.

**7. Subordination.** This Note is subordinate and junior in right of payment, to the extent and in the manner hereinafter set forth, to all Superior Debt of the Maker to the extent provided herein. For the purpose of this Section 7, the term "**Superior Debt**" shall mean the principal amount of any senior secured credit facilities of Maker provided by a bank or other institutional lender, as well as any interest thereon. The foregoing provisions as to subordination are solely for the purposes of defining the relative rights of the holders of the Superior Debt, on the one hand, and the Holder, on the other hand, and nothing in this Section 7 shall (a) impair, as between the Maker and the Holder, the obligations of the Maker under this Note in accordance with its terms or affect the relative rights of the Holder with respect to any other creditors of the Maker. At the Maker's cost and upon request, each of the Maker and the Holder agrees to execute a commercially reasonable subordination agreement in favor of the holder(s) of Superior Debt to further document the terms of the subordination provisions provided in this paragraph.

**8. Guaranty.** Maker's obligations under this Note are jointly and severally personally guaranteed by [ ] (the "**Guarantor**"), pursuant to that certain Guaranty, attached hereto as Exhibit A, in favor of Holder, of even date herewith (collectively, the "**Guaranty**").

**9. Notice.** Any notice that must be given to Maker under this Note shall be given by hand delivery or by certified mail addressed to Maker at [address of maker]. Notice shall be delivered or mailed to Maker at a different address only after Maker gives Holder written notice of the different address. Any notice that must be given to Holder under this Note shall be given by hand delivery or by certified mail addressed to Holder at [address of holder]. Notice shall be delivered or mailed to Holder at a different address only after Holder gives Maker written notice of the different address.

**10. Extensions/Renewals.** Holder may in its sole and absolute discretion, without notice and without releasing the liability of Maker, grant extensions and/or renewals hereof from time to time or for any term or terms. Holder shall not be liable for or prejudiced by failure to collect or lack of diligence in bringing suit on this Note or any renewal or extension hereof, and the acceptance at any time by Holder of any past-due amount shall not be deemed to be a waiver of the right to require prompt payment when due of any other amounts then or thereafter due and payable.

**11. Governing Law.** Except as set forth in Section 6, this Agreement shall be governed by and construed in accordance with the internal laws of the State of Delaware without giving effect to any choice or conflict of law provision or rule (whether of the State of Delaware or any other jurisdiction).

**12. Miscellaneous.** Sections 8.02, 8.03, 8.04, 8.05, 8.06, 8.07, 8.08, 8.09, 8.11, 8.12, 8.13, 8.14, 8.15, 8.16 and 8.17 of the Acquisition Agreement are incorporated by reference in this Agreement and shall apply to the terms and provisions of this Agreement and the parties hereto, with any such conforming changes necessary to give effect to those provisions in the context of this Agreement.

IN WITNESS WHEREOF, and intending to be legally bound hereby, Maker has executed this Secured Promissory Note on the day and year first above written.

Maker:

[NAME]

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**Agreed and Accepted:**

Holder:

**DECIMAL TECHNOLOGIES, INC.**  
a Delaware corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**EXHIBIT A**

**GUARANTY**

A

## **GUARANTY**

THIS GUARANTY AGREEMENT (the “**Guaranty**”), dated as of \_\_\_\_\_, \_\_\_\_\_ (the “**Guaranty Date**”), is provided by [\_\_\_\_\_] (the “**Guarantor**”) for the benefit of Decimal Technologies, Inc., a Delaware corporation (“**Holder**”).

1. **Background.** Pursuant to a Client Acquisition Agreement, dated as of \_\_\_\_\_, by and between [\_\_\_\_\_] (the “**Maker**”) and the Holder (the “**Acquisition Agreement**”), Holder is selling certain assets to Maker. Under the terms of the Acquisition Agreement, Maker is signing a secured promissory note in favor of Holder in the principal amount of [\_\_\_\_\_] (the “**Note**”), reflecting a portion of the purchase price payable by Maker to Holder under the Acquisition Agreement (the “**Purchase Price**”). Any capitalized term used but not defined herein will have the meaning set forth in the Note. Guarantor is a direct or indirect owner of Maker and acknowledges that Guarantor will benefit materially from the consummation of the transactions contemplated by the Acquisition Agreement. As a material inducement to Holder’s entering into the Acquisition Agreement and consummating the transactions contemplated thereby, Guarantor has agreed to guarantee Maker’s obligations to Holder under the Note. Accordingly, Guarantor agrees to be bound to the terms and conditions of this Guaranty.

2. **Guaranty.** In consideration of Holder’s willingness to permit Maker to pay a portion of the Purchase Price on a deferred basis pursuant to the terms of the Acquisition Agreement and the Note, and otherwise consummate the transactions contemplated by the Acquisition Agreement, the Guarantor hereby unconditionally guarantees to Holder and its successors and assigns that Maker shall punctually pay and perform each and every obligation under the Note when and as such obligation becomes due. Upon any default by Maker with respect to any payment due to Holder under the Note or the performance of any other obligation under the Note, Guarantor shall, on Holder’s written demand, make good the default and pay all sums then due and payable under the Note as if Guarantor (instead of Maker) were the primary obligors therefor under the Note.

3. **Guarantor’s Waivers.** The Guarantor waives: (a) acceptance and notice of acceptance by Holder of the Guarantor’s undertakings under this Guaranty; (b) notice of demand for payment of any obligations guaranteed hereunder; (c) protest and notice of default to any party with respect to the nonperformance of any obligations guaranteed hereunder; (d) any right the Guarantor may have to require that an action be brought against Maker or any other person as a condition of the Guarantor’s liability hereunder; (e) any right to any payment and claim for reimbursement or subrogation that the Guarantor may have against Maker arising from the Guarantor’s execution of and performance under this Guaranty, unless the Note has been paid in full, such that the Guarantor will not be deemed a “creditor” of Maker with respect to Maker’s obligations to Holder under any applicable bankruptcy law; (f) any law or statute that requires Holder to make demand upon, assert claims against, or collect from Maker or any others, foreclose any security interest, sell collateral, exhaust any remedies, or take any other action against Maker or any others prior to making any demand upon, collecting from, or taking any action against the Guarantor with respect to this Guaranty; and (g) any and all other notices and legal or equitable defenses to which the Guarantor may be entitled with respect to the Guarantor’s obligations hereunder, including, but not limited to, those expressly set forth in the third paragraph of this Section 3.

Holder will have no present or future duty or obligation to the Guarantor under this Guaranty, and the Guarantor waives any right to claim or assert any such duty or obligation, to discover or disclose to the Guarantor any information, financial or otherwise, concerning Maker. Without affecting the Guarantor’s obligations under this Guaranty, Holder may, without notice to the Guarantor, extend, modify, supplement, waive strict compliance with, or release all or any provisions of the Note or any indebtedness or obligation of Maker, or settle, adjust, release, or compromise any claims against Maker, make advances for the purpose of

performing any obligations of Maker under the Note, assign the Note or the right to receive any sum payable under the Note, and the Guarantor waives notice of same.

In addition, the Guarantor waives any defense with respect to its obligations hereunder arising by reason of any of the following: (1) any disability or any counterclaim or right of set-off or other defense of Maker, (2) any lack of authority of Maker with respect to the Note, (3) the cessation from any cause whatsoever of the liability of Maker, (4) any circumstance under which the Note will be void or voidable as against Maker or any of Maker's creditors, including a trustee in bankruptcy of Maker, by reason of any fact or circumstance, (5) any event or circumstance that might otherwise constitute a legal or equitable discharge of the Guarantor's obligations hereunder, except that the Guarantor does not waive any defense arising from the due performance by Maker of the terms and conditions of the Note, (6) any right or claim of right to cause a marshaling of the assets of Maker, and (7) any act or omission of Maker.

4. **Consent and Agreement.** The Guarantor consents and agrees that: (a) the Guarantor's direct and immediate liability under this Guaranty is joint and several with Maker; (b) the Guarantor will render any payment or performance required under the Note upon demand if Maker fails or refuses punctually to do so; (c) such liability will not be contingent or conditioned upon pursuit by Holder of any remedies against Maker or any other person; (d) such liability will not be diminished, relieved, or otherwise affected by any amendment of the Note, any extension of time, credit, or other indulgence that Holder may periodically grant to Maker or any other person, including, without limitation, the acceptance of any partial payment or performance or the compromise or release of any claims, none of which will in any way modify or amend this Guaranty, which will be continuing and irrevocable during the term of the Note and for so long thereafter as there are amounts or obligations owing from Maker to Holder under the Note; and (e) amounts received from any source by Holder for application toward payment of the obligations under the Note and under this Guaranty may be applied in any manner or order that Holder deems appropriate, except as otherwise provided in the Note.

5. **Reimbursement of Costs.** If Holder is required to enforce this Guaranty in a judicial or arbitration proceeding, and prevails in such proceeding, Holder will be entitled to reimbursement of its costs and expenses, including, but not limited to, reasonable accountants', attorneys', attorneys' assistants', arbitrators' and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses, whether incurred prior to, in preparation for, or in contemplation of the filing of any such proceeding. If Holder is required to engage legal counsel (including in-house counsel employed by Holder or its affiliates) in connection with any failure by any Guarantor to comply with this Guaranty, Guarantor will reimburse Holder for any of the above-listed costs and expenses that Holder incurs.

6. **Miscellaneous.** Sections 8.02, 8.03, 8.04, 8.05, 8.06, 8.07, 8.08, 8.09, 8.10, 8.11, 8.12, 8.13, 8.14, 8.15, 8.16 and 8.17 of the Acquisition Agreement are incorporated by reference in this Agreement and shall apply to the terms and provisions of this Agreement and the parties hereto, with any such conforming changes necessary to give effect to those provisions in the context of this Agreement.

**IN WITNESS WHEREOF**, the Guarantor has executed this Guaranty as of the Guaranty Date.

**GUARANTOR:**

[INSERT]

By: \_\_\_\_\_

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

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

## **EXHIBIT F**

### **LIST OF FRANCHISEES**

**NONE.**

| <b><u>Franchise</u></b> | <b><u>Principal(s)</u></b>            | <b><u>Business Address</u></b>                               | <b><u>Phone Number</u></b> |
|-------------------------|---------------------------------------|--------------------------------------------------------------|----------------------------|
| <u>Avondale</u>         | <u>Jason Thompson</u>                 | <u>32 Wedgepark Rd, Charleston, SC 29407</u>                 | <u>(843) 279-3253</u>      |
| <u>Circle City</u>      | <u>Colin King &amp; Joe Van Deman</u> | <u>7639 Candlewood Ln, Indianapolis, IN 46250</u>            | <u>(317) 282-0715</u>      |
| <u>Brookside</u>        | <u>Jay Breeden</u>                    | <u>1011 W 70<sup>th</sup> Terrace, Kansas City, MO 64113</u> | <u>(913) 578-3815</u>      |

## **EXHIBIT G**

### **LIST OF FRANCHISEES WHO HAVE LEFT THE SYSTEM**

**NONE.**

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

## **EXHIBIT H**

### **RELEASE SIGNED UPON RENEWAL OR TRANSFER**

#### **DECIMAL BUSINESS**

#### **RENEWAL/ASSIGNMENT OF FRANCHISE DOCUMENTS RELEASE**

Decimal Franchising, LLC (“we,” “us,” or “our”) and the undersigned franchisee, \_\_\_\_\_ (“you” or “your”), currently are parties to a certain Franchise Agreement (the “**Franchise Agreement**”) dated \_\_\_\_\_. You have asked us to take the following action or to agree to the following request: [insert as appropriate for renewal or transfer] \_\_\_\_\_.

We have the right under the Franchise Agreement to obtain a general release from you (and, if applicable, your owners) as a condition of taking this action or agreeing to this request. Therefore, we are willing to take the action or agree to the request specified above if you (and, if applicable, your owners) give us the release and covenant not to sue provided below in this document. You (and, if applicable, your owners) are willing to give us the release and covenant not to sue provided below as partial consideration for our willingness to take the action or agree to the request described above.

Consistent with the previous introduction, you, on your own behalf and on behalf of your successors, heirs, executors, administrators, personal representatives, agents, assigns, partners, shareholders, members, directors, officers, principals, employees, and affiliated entities (collectively, the “**Releasing Parties**”), hereby forever release and discharge us and our current and former officers, directors, owners, principals, employees, agents, representatives, affiliated entities, successors, and assigns (collectively, the “**Decimal Parties**”) from any and all claims, damages (known and unknown), demands, causes of action, suits, duties, liabilities, and agreements of any nature and kind (collectively, “**Claims**”) that you and any of the other Releasing Parties now has, ever had, or, but for this document, hereafter would or could have against any of the Decimal Parties (1) arising out of or related to the Decimal Parties’ obligations under the Franchise Agreement, or (2) otherwise arising from or related to your and the other Releasing Parties’ relationship, from the beginning of time to the date of your signature below, with any of the Decimal Parties. You, on your own behalf and on behalf of the other Releasing Parties, further covenant not to sue any of the Decimal Parties on any of the Claims released by this paragraph and represent that you have not assigned any of the Claims released by this paragraph to any individual or entity who is not bound by this paragraph.

We also are entitled to a release and covenant not to sue from your owners. By his, her, or their separate signatures below, your owners likewise grant to us the release and covenant not to sue provided above.

You and your owners, for yourselves and each of the Releasing Parties, hereby waive and relinquish every right or benefit which he, she, or it has under any state or federal law limiting the effectiveness of releases, to the fullest extent that he, she, or it may lawfully waive such right or benefit, including without limitation Section 1542 of the California Civil Code, which the Releasing Parties have read and understand the significant and consequences of, which provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF

KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

In connection with this waiver and relinquishment, with respect to the Claims, you and your owners, for yourselves and each of the Releasing Parties, acknowledges that he, she, or it may hereafter discover facts in addition to or different from those which he, she, or it now knows or believes to be true with respect to the subject matter of this release, but that it is the parties' intention, fully, finally and forever to settle and release all such Claims, known or unknown, suspected or unsuspected, which now exist, may exist or did exist, and, in furtherance of such intention, the releases given hereunder shall be and remain in effect as full and complete releases, notwithstanding the discovery or existence of any such additional or different facts.

**Claims Under Washington Franchise Investment Protection Act.** This Release shall not apply to any Claims arising under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

**FRANCHISOR:**

**Decimal Franchising, LLC** a Delaware limited liability company

By: \_\_\_\_\_

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

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

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

**FRANCHISEE:**

\_\_\_\_\_  
[Name]

By: \_\_\_\_\_

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

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

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

**(OWNERS)**

\_\_\_\_\_  
[Signature]

\_\_\_\_\_  
[Print Name]

\_\_\_\_\_  
[Signature]

\_\_\_\_\_  
[Print Name]

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

## **EXHIBIT I**

### **STATE AGENCIES AND AGENTS FOR SERVICE OF PROCESS**

#### ***LIST OF STATE ADMINISTRATORS AND STATE AGENTS FOR SERVICE OF PROCESS***

| <b>STATE</b>             | <b>STATE ADMINISTRATOR</b>                                                                                                                                                                                               | <b>AGENT FOR SERVICE OF PROCESS</b>                                                                                                                                 |
|--------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b><i>CALIFORNIA</i></b> | Department of Financial Protection<br>And Innovation<br>320 West 4 <sup>th</sup> Street, Suite 750<br>Los Angeles, California 90013<br>(213) 576-7505<br>(866) 275-2677                                                  | California, Commissioner of DFPI<br>320 West 4 <sup>th</sup> Street, Suite 750<br>Los Angeles, California 90013<br>(213) 576-7505<br>(866) 275-2677                 |
| <b><i>HAWAII</i></b>     | Business Registration Division<br>Department of Commerce and Consumer Affairs<br>335 Merchant Street Room 203<br>Honolulu, Hawaii 96813<br>(808) 586-2722                                                                | Commissioner of Securities, Department of<br>Commerce & Consumer Affairs<br>335 Merchant Street Room 203<br>Honolulu, Hawaii 96813<br>(808) 586-2722                |
| <b><i>ILLINOIS</i></b>   | Franchise Bureau<br>Office of the Attorney General<br>500 South Second Street<br>Springfield, Illinois 62706<br>(217) 782-4465                                                                                           | Franchise Bureau<br>Office of the Attorney General<br>500 South Second Street<br>Springfield, Illinois 62706<br>(217) 782-4465                                      |
| <b><i>INDIANA</i></b>    | Indiana Secretary of State<br>Securities Division<br>302 West Washington Street, Room E-111<br>Indianapolis, Indiana 46204<br>(317) 232-6681                                                                             | Indiana Secretary of State<br>201 State House<br>200 West Washington Street<br>Indianapolis, Indiana 46204<br>(317) 232-6531                                        |
| <b><i>MARYLAND</i></b>   | Office of the Attorney General<br>Securities Division<br>200 St. Paul Place<br>Baltimore, Maryland 21202-2021<br>(410) 576-6360                                                                                          | Maryland Securities Commissioner<br>Office of the Attorney General<br>Securities Division<br>200 St. Paul Place<br>Baltimore, Maryland 21202-2021<br>(410) 576-6360 |
| <b><i>MICHIGAN</i></b>   | Michigan Department of Attorney General<br>Consumer Protection Division<br>Attn: Franchise Section<br>525 West Ottawa<br>G. Mennen Williams Building, 1 <sup>st</sup> Floor<br>Lansing, Michigan 48933<br>(517) 335-7567 | Michigan Department of Commerce<br>Corporations and Securities Bureau<br>P.O. Box 30054<br>6546 Mercantile Way<br>Lansing, Michigan 48909<br>(517) 241-6345         |
| <b><i>MINNESOTA</i></b>  | Minnesota Department of Commerce<br>85 7 <sup>th</sup> Place East, Suite 280<br>St. Paul, Minnesota 55101-2198<br>(651) 539-1600                                                                                         | Minnesota Commissioner of Commerce<br>Department of Commerce<br>85 7 <sup>th</sup> Place East, Suite 280<br>St. Paul, Minnesota 55101-2198<br>(651) 539-1600        |

| STATE               | STATE ADMINISTRATOR                                                                                                                                                                 | AGENT FOR SERVICE OF PROCESS                                                                                                                                                        |
|---------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>NEBRASKA</b>     | Nebraska Department of Banking and Finance<br>Bureau of Securities/Financial Institutions<br>Division<br>1526 K Street, Suite 300<br>Lincoln, Nebraska 68508-2723<br>(402) 471-2171 | Nebraska Department of Banking and Finance<br>Bureau of Securities/Financial Institutions<br>Division<br>1526 K Street, Suite 300<br>Lincoln, Nebraska 68508-2723<br>(402) 471-2171 |
| <b>NEW YORK</b>     | NYS Department of Law<br>Investor Protection Bureau<br>28 Liberty Street, 21 <sup>st</sup> Floor<br>New York, New York 10005<br>(212) 416-8222 (Phone)<br>(212) 416-6042 (Fax)      | New York Department of State<br>One Commerce Plaza<br>99 Washington Avenue, 6 <sup>th</sup> Floor<br>Albany, New York 12231-0001<br>(518) 473-2492                                  |
| <b>NORTH DAKOTA</b> | North Dakota Insurance & Securities Department<br>600 East Boulevard Avenue<br>Bismarck, North Dakota 58505-0510<br>(701) 328-2910                                                  | North Dakota Insurance & Securities Department<br>600 East Boulevard Avenue<br>Bismarck, North Dakota 58505-0510<br>(701) 328-2910                                                  |
| <b>OREGON</b>       | Department of Insurance and Finance<br>Corporate Securities Section<br>Labor and Industries Building<br>Salem, Oregon 97310<br>(503) 378-4387                                       | Department of Insurance and Finance<br>Corporate Securities Section<br>Labor and Industries Building<br>Salem, Oregon 97310<br>(503) 378-4387                                       |
| <b>RHODE ISLAND</b> | Securities Division<br>State of Rhode Island<br>Department of Business Regulation,<br>Bldg. 69, First Floor<br>John O. Pastore Center<br>1511 Pontiac Avenue,                       | Director, Securities Division<br>Department of Business Regulation<br>Bldg. 69, First Floor<br>John O. Pastore Center<br>1511 Pontiac Avenue,<br>Cranston, Rhode Island 02920       |
| <b>SOUTH DAKOTA</b> | Department of Labor and Regulation<br>Division of Insurance<br>Securities Regulation<br>124 South Euclid, Suite 104<br>Pierre, South Dakota 57501<br>(605) 773-3563                 | Director, Department of Labor and Regulation<br>Division of Insurance<br>Securities Regulation<br>124 South Euclid, Suite 104<br>Pierre, South Dakota 57501<br>(605) 773-3563       |
| <b>VIRGINIA</b>     | State Corporation Commission<br>Division of Securities and Retail Franchising<br>1300 East Main Street, Ninth Floor<br>Richmond, Virginia 23219<br>(804) 371-9051                   | Clerk of the State Corporation Commission<br>1300 East Main Street. First Floor<br>Richmond, Virginia 23219<br>(804) 371-9733                                                       |

| STATE             | STATE ADMINISTRATOR                                                                                                                                                                        | AGENT FOR SERVICE OF PROCESS                                                                                                                                       |
|-------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>WASHINGTON</b> | Department of Financial Institutions<br>Securities Division<br>P.O. Box 41200<br>Olympia, Washington 98507<br>(360) 902-8760                                                               | Director, Department of Financial Institutions<br>Securities Division<br>150 Israel Road S.W.<br>Tumwater, Washington 98501<br>(360) 902-8760                      |
| <b>WISCONSIN</b>  | Franchise Registration<br>Division of Securities<br>Wisconsin Department of Financial<br>Institutions<br>4822 Madison Yards Way, North Tower<br>Madison, Wisconsin 53705<br>(608) 266-9555 | Administrator, Division of Securities<br>Department of Financial Institutions<br>4822 Madison Yards Way, North Tower<br>Madison, Wisconsin 53705<br>(608) 266-2139 |

## EXHIBIT J

**NOTE: THIS FRANCHISE COMPLIANCE CERTIFICATION SHALL NOT BE COMPLETED OR SIGNED BY YOU, AND WILL NOT APPLY, IF THE OFFER OR SALE OF THE DECIMAL FRANCHISE IS SUBJECT TO THE STATE FRANCHISE REGISTRATION/DISCLOSURE LAWS IN THE STATES OF CALIFORNIA, HAWAII, ILLINOIS, INDIANA, MARYLAND, MICHIGAN, MINNESOTA, NEW YORK, NORTH DAKOTA, RHODE ISLAND, SOUTH DAKOTA, VIRGINIA, WASHINGTON, OR WISCONSIN.**

### FRANCHISE COMPLIANCE CERTIFICATION

The purpose of this Certification is to determine whether any statements or promises were made to you in the franchise sales process that we have not authorized and that may be untrue, inaccurate or misleading. **Do not sign or date this Certification the same day as the Receipt for the Franchise Disclosure Document; you should sign and date this Certification the same day you sign the Franchise Agreement.** Please review each of the following questions and statements carefully and provide honest and complete responses to each.

1. You had your first face-to-face meeting with our representative on: \_\_\_\_\_, \_\_\_\_\_.  
2. Have you received and personally reviewed our Franchise Agreement, and each Addendum (if any) and related agreement (i.e., personal guaranty), attached to them?  
Yes \_\_\_\_\_ No \_\_\_\_\_

3. Did you receive the Franchise Agreement, and each related agreement, containing all material terms, at least 7 days before signing any binding agreement with us or an affiliate? \*  
Yes \_\_\_\_\_ No \_\_\_\_\_

\* This does not include changes to any agreement arising out of negotiations you initiated with us.

4. Do you understand all of the information contained in the Franchise Agreement, and each Addendum (if any) and related agreement provided to you?  
Yes \_\_\_\_\_ No \_\_\_\_\_

If No, what parts of the Franchise Agreement, Addendum (if any) and/or related agreements do you not understand? (Attach additional pages, if necessary.)

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5. Have you received and personally reviewed our Franchise Disclosure Document (“FDD”) that was provided to you?  
Yes \_\_\_\_\_ No \_\_\_\_\_  
6. Did you receive the FDD at least 14 calendar days before signing the Franchise Agreement, this document or any related agreement, or before paying any funds to us or an affiliate?  
Yes \_\_\_\_\_ No \_\_\_\_\_

7. Did you sign a receipt for the FDD indicating the date you received it?

Yes \_\_\_\_\_ No \_\_\_\_\_

8. Do you understand all of the information contained in the FDD and any state-specific addendum to the FDD?

Yes \_\_\_\_\_ No \_\_\_\_\_

If No, what parts of the FDD and/or addendum (if any) do you not understand? (Attach additional pages, if necessary.)

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9. Have you discussed the benefits and risks of purchasing a Decimal franchise with an attorney, accountant or other professional advisor?

Yes \_\_\_\_\_ No \_\_\_\_\_

If No, do you wish to have more time to do so?

Yes \_\_\_\_\_ No \_\_\_\_\_

10. Do you understand that the success or failure of your Decimal franchise will depend in large part upon your skills and abilities, competition from other businesses, and other economic and business factors?

Yes \_\_\_\_\_ No \_\_\_\_\_

11. Has any employee or other person speaking on our behalf made any statement or promise concerning the actual or possible revenues or profits of a Decimal franchise that is not contained in the FDD or that is contrary to, or different from, the information contained in the FDD?

Yes \_\_\_\_\_ No \_\_\_\_\_

12. Has any employee or other person speaking on our behalf made any statement or promise regarding the amount of money you may earn in operating a Decimal franchise that is not contained in the FDD or that is contrary to, or different from, the information contained in the FDD?

Yes \_\_\_\_\_ No \_\_\_\_\_

13. Has any employee or other person speaking on our behalf made any statement or promise concerning the likelihood of success that you should or might expect to achieve from operating a Decimal franchise that is not contained in the FDD or that is contrary to, or different from, the information contained in the FDD?

Yes \_\_\_\_\_ No \_\_\_\_\_

14. Has any employee or other person speaking on our behalf made any statement, promise or agreement concerning the advertising, marketing, training, support service or assistance that we will furnish to you that is contrary to, or different from, the information contained in the FDD?

Yes \_\_\_\_\_ No \_\_\_\_\_

15. If you have answered “Yes” to any one of questions 11-14, please provide a full explanation of each “Yes” answer in the following blank lines. (Attach additional pages, if necessary, and refer to them below.)

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16. Do you understand that the Franchise Agreement, Addendum (if any) and related agreements contain the entire agreement between you and us concerning the Decimal franchise, meaning that any prior oral or written statements not set out in the Franchise Agreement, Addendum (if any) or related agreements will not be binding?\*

Yes \_\_\_\_\_ No \_\_\_\_\_

\* Nothing in this document or any related agreement is intended to disclaim the representations we make in the FDD that we furnished to you.

17. Do you understand that, except as provided in the FDD, nothing stated or promised by us that is not specifically set forth in the Franchise Agreement, Addendum (if any) and related agreements can be relied upon?

Yes \_\_\_\_\_ No \_\_\_\_\_

18. You signed the Franchise Agreement, and Addendum (if any) and related agreements on \_\_\_\_\_, 20\_\_\_\_, and acknowledge that no agreement or addendum is effective until signed and dated by us.

YOU UNDERSTAND THAT YOUR RESPONSES TO THESE QUESTIONS ARE IMPORTANT TO US AND THAT WE WILL RELY ON THEM. BY SIGNING THIS CERTIFICATION, YOU ARE REPRESENTING TO US THAT YOU HAVE CONSIDERED EACH QUESTION CAREFULLY AND RESPONDED TRUTHFULLY TO THE ABOVE QUESTIONS AND WE ARE ENTITLED TO RELY THEM IN CONNECTION WITH GRANTING YOU A DECIMAL FRANCHISE. YOU UNDERSTAND AND ACKNOWLEDGE THAT WE WOULD NOT GRANT YOU A DECIMAL FRANCHISE IF ANY OF YOUR RESPONSES TO QUESTIONS CONTAINED IN THIS CERTIFICATION ARE NOT ACCURATE.

*[signature page to follow]*

The individuals signing below for the “**Franchisee Applicant**” constitute all the executive officers, partners, shareholders, investors and/or principals of the Franchisee Applicant, or constitute the duly authorized representatives or agents of the foregoing.

FRANCHISEE APPLICANT:

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Signature

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Printed Name

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Date

---

Signature

---

Printed Name

---

Date

---

Signature

---

Printed Name

---

Date

---

Signature

---

Printed Name

---

Date

## STATE EFFECTIVE DATES

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

This Franchise Disclosure Document is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates:

| State        | Effective Date                                                                  |
|--------------|---------------------------------------------------------------------------------|
| California   | <del>October 16, 2025</del> <a href="#">Pending</a>                             |
| Hawaii       | <del>November 4, 2025</del> <a href="#">Pending</a>                             |
| Illinois     | <del>November 4, 2025</del> <a href="#">Pending</a>                             |
| Indiana      | <del>August 20, 2025, as amended October 28, 2025</del> <a href="#">Pending</a> |
| Maryland     | <del>January 2, 2026</del> <a href="#">Pending</a>                              |
| Michigan     | <del>August 22</del> <a href="#">April 29, 2025</a> <a href="#">2026</a>        |
| Minnesota    | <del>October 27, 2025</del> <a href="#">Pending</a>                             |
| New York     | <del>December 16, 2025</del> <a href="#">Pending</a>                            |
| North Dakota | <del>October 29, 2025</del> <a href="#">Pending</a>                             |
| Rhode Island | <del>August 26, 2025, as amended October 29, 2025</del> <a href="#">Pending</a> |
| South Dakota | <del>August 25, 2025</del> <a href="#">Pending</a>                              |
| Virginia     | <del>October 27, 2025</del> <a href="#">Pending</a>                             |
| Washington   | <del>December 18, 2025</del> <a href="#">Pending</a>                            |
| Wisconsin    | <del>August 20, 2025, as amended October 28, 2025</del> <a href="#">Pending</a> |

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

## **Item 23**

### **RECEIPT**

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Decimal Franchising, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

New York requires that Decimal Franchising, LLC give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

Michigan requires that Decimal Franchising, LLC give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or payment of any consideration, whichever occurs first.

If Decimal Franchising, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified on Exhibit I.

The franchisor is Decimal Franchising, LLC, located at ~~7591~~[7951](#) Westfield Blvd., Indianapolis, Indiana 46240 and (317) 590-5070.

Issuance date: ~~August 18~~[April 29, 2025](#)~~2026~~

The name, principal business address, and telephone number of each franchise seller offering the franchise are as follows: Matt Tait, Jacob Cloran, ~~Nicole Freeman~~, and Michael O'Connor, whose contact information is ~~7591~~[7951](#) Westfield Blvd., Indianapolis, Indiana 46240 and (317) 590-5070.

Decimal Franchising, LLC authorizes the respective state agents identified in Exhibit I to receive service of process for us in the states listed in Exhibit I.

I received a Franchise Disclosure Document from Decimal Franchising, LLC, dated as of ~~August 18~~[April 29, 2025](#)~~2026~~, that included the following Exhibits:

- A Franchise Agreement
- B State Addenda
- C Financial Statements
- D Operations Manual Table of Contents
- E-1 Form of Client Acquisition Agreement
- E-2 Form of Promissory Note
- F List of Franchisees
- G List of Franchisees Who Have Left the System
- H Release Signed upon Renewal or Transfer
- I State Agencies and Agents for Service of Process
- J Franchise Compliance Certification

\_\_\_\_\_  
Date

\_\_\_\_\_  
Prospective Franchisee [Print Name]

(Date, Sign, and Return to Us)

\_\_\_\_\_  
Prospective Franchisee [Signature]

## **Item 23**

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- I State Agencies and Agents for Service of Process
- J Franchise Compliance Certification

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Date

(Date, Sign, and Keep for Your Own Records)

---

Prospective Franchisee [Print Name]

---

Prospective Franchisee [Signature]