

Type of Fee (Note 1)	Amount	Due Date	Remarks
			suppliers.
Payroll Software License Fees	\$325 per month	Beginning with the third full month after your Opening Date. Payable with Royalties.	This fee is subject to increase if our costs increase. Note 4.
PEPM and PCPM Fees	\$2.25 per employee per month (PEPM Fee) and \$12.00 per Client per month (PCPM Fee).	Beginning with the third full month after your Opening Date. Payable with Royalties.	Paid to us. This fee is subject to an <u>a standard</u> annual increase of four percent (4%) to six percent (6%). In addition, we reserve the right to implement further increases beyond the standard annual adjustment, <u>with a maximum of ten percent (10%)</u> . You will be provided with sixty (60) days' prior written notice of any increase. Note 4.
Exception Fees	Actual Cost, plus the greater of \$50 or 10%	Payable upon billing.	Note 5.
Optional Payroll & Onboarding Services	Optional	Payable upon billing.	Payable to us.
National Advertising Fee	\$300 per month	Beginning with the third full month after your Opening Date. Payable with Royalties.	Paid to us. This fee is subject to an <u>a standard</u> annual increase of four percent (4%) to six percent (6%). In addition, we reserve the right to implement further increases beyond the standard annual adjustment, <u>with a maximum of ten percent (10%)</u> . You will be provided with sixty (60) days' prior written notice of any increase. Affiliate-owned businesses pay National Advertising Fees on an equal basis with franchised businesses.
Digital Marketing (DM) Fee	\$105 per month	Beginning with the third full month after your Opening Date. Payable with Royalties.	Paid to us. This fee is subject to an <u>a standard</u> annual increase of four percent (4%) to six percent (6%). In addition, we reserve the right to implement further increases beyond the standard annual adjustment, <u>with a maximum of ten percent (10%)</u> . You will be provided with sixty (60) days' prior written notice of any increase. Affiliate-owned businesses pay DM Fees on an equal basis with franchised businesses.
CRM Software and CRM Fee	\$215 per month	Beginning with the third full month after	Note 6.

Type of Fee (Note 1)	Amount	Due Date	Remarks
		your Opening Date. Payable with Royalties.	
Unique Domain Fee	\$195 per year	Due in March of each year and payable with Royalties.	This fee will only apply if you operate a website with a Unique Domain. We reserve the right to increase this fee at any time after giving you 60 days' prior written notice. Note 6.
Additional Technology Fees	None.	As incurred.	Note 6.
Managed Marketing & Social Media (MSMP) Fee	\$300 per month	Beginning with the third full month after your Opening Date. Payable with Royalties.	This fee is then optional starting the 9 months after the Opening Date. <u>Maximum increase of 10% per year.</u> Note 6.
Mineral (HR License Fee)	\$150 per month	Beginning with the third full month after your Opening Date. Payable with Royalties.	Paid to us. This fee is subject to an <u>a standard</u> annual increase of four percent (4%) to six percent (6%). In addition, we reserve the right to implement further increases beyond the standard annual adjustment, <u>with a maximum of ten percent (10%)</u> . You will be provided with sixty (60) days' prior written notice of any increase. This is a monthly Human Resource "HR" fee to have unlimited access to provide HR Services to your clients.
Technology Maintenance Fee	\$175 per month	Beginning with the third full month after your Opening Date. Payable with Royalties.	Used for hosting the website and internet maintenance. Paid to us. This fee is subject to an <u>a standard</u> annual increase of four percent (4%) to six percent (6%). In addition, we reserve the right to implement further increases beyond the standard annual adjustment, <u>with a maximum of ten percent (10%)</u> . You will be provided with sixty (60) days' prior written notice of any increase.
Email Fee	\$15 per month for each email address over five.	Payable with Royalties.	This fee includes five email addresses. Each address after that will cost \$15 per month. We may increase the amount of this fee with 60 days' notice to you. <u>Maximum increase of 10% in one-year.</u>
Financial & KPI Management Fee	\$35 per month	Payable with Royalties.	This fee is for management of your monthly iSolve billing, monthly Financial & KPI

Type of Fee (Note 1)	Amount	Due Date	Remarks
			reporting, Annual Financial & KPI reporting and financial dashboard system. Paid to us. This fee is subject to an <u>a standard</u> annual increase of four percent (4%) to six percent (6%). In addition, we reserve the right to implement further increases beyond the standard annual adjustment, <u>with a maximum of ten percent (10%)</u> . You will be provided with sixty (60) days' prior written notice of any increase.
Hosted QuickBooks	\$30 per month for the Simple License or \$55 per month for the Essential License.	Payable with Royalties	<u>This fee is subject to a standard annual increase of four percent (4%) to six percent (6%). In addition, we reserve the right to implement further increases beyond the standard annual adjustment, with a maximum of ten percent (10%).</u> You will be given 60 days' written notice of any increase.
Accounting Services Fee	\$150 per month	Beginning with the third full month after your Opening Date. Payable with Royalties.	This fee is optional starting the 9 months after the Opening Date. You can continue to pay us \$150 per month beginning in month 10 to continue the accounting services. Paid to us. This fee is subject to an <u>a standard</u> annual increase of four percent (4%) to six percent (6%). In addition, we reserve the right to implement further increases beyond the standard annual adjustment, <u>with a maximum of ten percent (10%)</u> . You will be provided with sixty (60) days' prior written notice of any increase.
Additional Training Fee	\$300 per day plus your travel, room, and board if you travel to us; or our room, board, and travel expenses if we travel to you.	As incurred.	Note 7.
Phone Lines	\$21 per line per month	Paid to us with Royalties	You have the option to buy phone lines from our designated supplier of phone services. This cost is subject to increase if the supplier increases the price it charges us.
Additional Software Training Fee	\$45 per hour	As incurred.	Note 7.
Operational	\$45 per hour	As incurred.	Note 7.

Type of Fee (Note 1)	Amount	Due Date	Remarks
Standards Support and Training Fee			
Missed Quota Additional Training Fee	\$300 per day, plus your travel, room, and board if you travel to us or plus our commercially reasonable room, board, and travel expenses if we travel to you.	As incurred.	Paid to us if you fail to meet your Quota (Item 12) and if we decide to offer you this training (Item 11). There is no limit to the amount of an Maximum increase or the number of times it may be increased of 10% per year.
Owners Exchange Tuition and Peer Performance Group	The then published rate plus your costs to attend	As incurred.	The Owners Exchange and Peer Performance Group program are voluntary programs, any associated costs are passed on and paid by participation in the Owners Exchange and the Peer Performance Group participants. Note 8.
Regional Meeting	Currently, \$0.00. Maximum increase of \$250 per year, if we offer an annual Regional Meeting.	As incurred.	If we have a regional meeting, you may be required to attend. There is currently no tuition, so we cannot calculate this cost. In the future, we may charge tuition, and you will be given no less than 60 days' written notice before a fee is charged. You will pay your travel expenses. Payable to third parties.
Transfer Fee	10% of the then-current IFF for the Territory or Clients Sold plus 10% of the then-current Additional Territory Fee for your Additional Territories.	At time transfer is completed.	Payable to us.
Successor Franchise Fee	25% of the then-current IFF for the Territory that you purchased plus 25% of the then-current Additional Territory Fee for your Additional Territories.	At the time of signing.	You may be required to sign a franchise agreement with different terms from those in your current Franchise Agreement. Payable to us. Also, see Note 9.
Annual Conference Attendance Fee	Currently, \$750 for the first attendee and \$450 for additional attendees. We reserve the right to Maximum increase by 10% each of \$250 per year.	Due 60 days before the conference.	We may increase this fee upon 60 days' notice. The fee will be paid by ACH.
Annual Conference Travel Costs and Expenses	\$750 to \$1,500.	Paid to third parties as incurred.	This fee is for all costs for your travel, room, and board, which may cost. Expenses vary based on travel costs and the hotel you choose. Annual conferences may be mandatory. Payable to vendors.
Mandatory Conference Fee	\$1,200 per occurrence. Maximum increase of \$250 per year.	Paid to us within 60 days of the end of the annual conference. Payable by ACH.	We may increase this fee upon 60 days' notice. Charged only if you fail to attend the annual conference.

Type of Fee (Note 1)	Amount	Due Date	Remarks
Late Fee and Interest	\$100 late fee plus 10% interest per annum for any payment not made timely.	As incurred.	Payable to us only if you do not make your payments on time.
Default Notice Fee	\$50	As incurred.	Payable to us only if a notice of default is sent to you.
Costs and Attorney's Fees	Reimbursement of our Actual Costs of attorneys' fees	As incurred.	Payable to service providers.
Indemnification	Reimbursement of our Actual Costs of indemnification plus costs	As incurred.	You have to reimburse us if we incur costs for any claims arising from your business.
Approval of New Supplier	\$125 per hour	As incurred.	Paid to us to review and approve new suppliers. <u>Maximum increase of 10% in one year.</u> We may change this fee at any time after giving you 60 days' written notice.
Audit Costs	The cost of the audit plus a 5% administrative fee.	As incurred.	Payable only if we audit your books and find underreporting. Paid to us.
Special Projects Fees	\$250 per hour	As incurred.	See Note 10.
New Line of Goods, Services, or Technology	Actual Cost, plus related expenses	As incurred.	See Note 11.

1. All fees owed to us are uniform and are non-refundable unless otherwise stated. All payments owed to third parties are also non-refundable unless you make specific arrangements with the third party.

2. In some cases, after you have been in business for a minimum of 12 full months (as measured from the date that you open for business), we may grant you the right to increase the size of your Territory by purchasing an additional contiguous geographic area with either 75,000 individuals or 150,000 individuals. Each such territory is called an “**Additional Territory**.” If we grant you this right:

a. for an Additional Territory of 75,000 individuals, you will pay us the Additional Territory Fee for 75,000 individuals which is currently \$18,000, and you will pay monthly the greater of the Percentage Royalty or the Minimum Royalty that will increase to \$600; The Additional Territory Fee and Minimum Royalty will not exceed an increase greater than 10% in one year.

b. for an Additional Territory of 150,000 individuals, you will pay us the then-current Additional Territory Fee for 150,000 individuals which is currently \$36,000, and you will pay monthly the greater of the Percentage Royalty or the Minimum Royalty that will increase to \$800. The Additional Territory Fee and Minimum Royalty will not exceed an increase greater than 10% in one year.

References to the “**Royalty**” in this Disclosure Document includes both the Percentage Royalty and the Minimum Royalty.

We may increase the amount of the Additional Territory Fee for 75,000 or 150,000 individuals at any time and in any amount. We will give you 60 days prior written notice before increasing this fee.

3. **“Gross Revenue”** means the total of all revenues and income from the sale of all products, merchandise, services, and other related items to your Clients (including your “Pre-Existing Clients”), whether received in cash, in services in kind, from barter or exchange, on credit (whether or not payment is received) or otherwise. You may deduct from Gross Revenue all sales tax or similar taxes, which by law are chargeable to Clients by any taxing authority and are collected by you. You may also deduct from Gross Sales the amount of any documented approved discounts, refunds, and credits. **“Pre-Existing Clients”** are those to whom you were delivering Payroll and Workforce Management Services on or before the Effective Date of the Franchise Agreement.

4. You must use our Payroll Software program to operate the Business and pay us our then-current Payroll Software License Fee. The Payroll Software electronically organizes the payroll needs of your Clients’ employees, including the calculation of the pay for each employee and the deductions required to be taken.

The PEPM and PCPM Fees charged per employee and per Client are used to maintain each on the Payroll Software program. This is in addition to the Payroll Software License Fee.

We may increase these fees by any amount at any time after giving you no less than 60 days’ prior written notice. Maximum increase of 10%.

5. When you sign the Franchise Agreement, you will also sign the End User License Agreement (“**EULA**”) attached as Exhibit 5 to the Franchise Agreement, supplied by our Payroll Software supplier. Under the EULA, we may be charged (and will then charge you) for any changes to current fees or for new fees that may be assessed by the Payroll Software supplier or that we may have to pay because you failed to administer your accounts properly (“**Exception Fees**”). Exception Fees may be generated because of non-sufficient funds (NSF) in an account, a Notification of Change charge, for wiring fees, for stop payment/void check fees, Franchisee Account changes assessed by the Payroll Software supplier, signature or logo change fees, late payroll submission fees, zero quarterly report fees charged by a governmental authority, incorrect tax rates and missing or applied for tax identification numbers, as upcharges to those already paid by us, or for similar reasons. We will charge the amount of the Exception Fee plus the greater of \$50 or 10% of the fees that we are assessed due to such errors. We have no formula for determining these costs or fees, so we cannot quote them here. We may increase the Exception Fees at any time and in any amount (maximum of 10%), after giving you 60 days’ prior written notice.

6. You must use our **“CRM Software.”** This online-based service gives you the tools necessary to help manage your Client relationships and your interactions with Clients. Beginning with the third month after your Opening Date, you will pay us the then-current CRM Fee. This fee is subject to an annual increase of four percent (4%) to six percent (6%). In addition, we reserve the right to implement further increases beyond the standard annual adjustment, with a maximum of ten percent (10%). You will be provided with sixty (60) days’ prior written notice of any increase.

In our sole discretion, we may allow you to obtain and host your own website (Unique Domain) or advertise on social media, through blogs, vlogs, and similar opportunities. If we grant you this right, (i) you must use the hosting services we designate; (ii) we must approve the content of each page of the website and the content of all social media, blogs, vlogs, and similar opportunities; (iii) we will give you direction on how and where to place our Marks; and, (iv) you will pay the then-current Unique Domain Fee. Upon the expiration, earlier termination of, or a Transfer, all of the above will remain our sole property.

The “**Managed Marketing & Social Media Program**” or “**MSMP**” is required for the first 9 months subsequent to opening and then a voluntary program we offer to manage your monthly social media posts. The MSMP Fee is the then-current fee we charge for this service. We may change the MSMP Fee at any time after giving you no less than 60 days’ prior written notice. We may expand the program, terminate (and then reinstate) the program, or make it mandatory at any time after giving you no less than 60 days’ prior written notice.

We may increase any or all these fees at any time and in any amount after giving you 60 days’ prior written notice before a fee is changed. Maximum increase of 10%.

7. During the first 12 months after opening, we will supply reasonable support at no additional fee. After the 12 months, the following fees services may be supplied by us, an Affiliate, or an approved vendor:

You may request, or we may require you to take training in addition to the Franchisee Initial Training to help with the operation of the Business. You will pay the then-current hourly fee for such services. All fees are paid to us.

You may also wish, or we may require you to get additional training on the software programs we offer (“**Additional Software Training**”), in which case you will pay the then-current Additional Software Training Fee.

You may request additional support or training (or we may require you to get additional training or support) if you are having difficulties implementing or maintaining our operating standards (“**Operational Standards Support and Training**”), and you will pay the then-current Operational Standards Support and Training Fee. Our Operational Standards include the methods you must use to deliver consistent and professional services to your Client, including Client relationships management performance and advertising.

We may increase these fees by any amount at any time after giving you no less than 60 days’ prior written notice. Maximum increase of 10%

8. We hold an Owners Exchange Meeting each year, and attendance is voluntary. The purpose of the meeting is to allow all franchisees to exchange ideas with each other. We may, in the future, make attendance mandatory. We also have the right to change the Owner’s Exchange Tuition in any amount and at any time. If we make attendance mandatory or change this fee, we will give you 60 days’ prior written notice. We offer a Peer Performance Group program. Any fees associated with the Peer Performance Group program for participation or meetings will be passed on to the Peer Performance Group participants.

9. The Successor Franchise Fee may be reduced as follows: (a) if your Gross Revenue has reached \$150,000 per year during the final year of your Initial Term or you have 100 Clients, then your fee will be zero; or (b) if you have less than 100 Clients and have earned less than \$150,000 in Gross Revenue during the final year of your Initial Term, then your Successor Franchise Fee will be a percentage of the Successor Franchise Fee determined by multiplying the then-current Successor Franchise Fee by a fraction the numerator of which is the remainder found by subtracting your annualized Gross Revenue (determined on the date that your Successor Term is to begin) from \$150,000 and the denominator of which is \$150,000. For instance, if your Gross Revenue is \$100,000 and if the full Successor Franchise Fee is \$10,000, your Successor Franchise Fee will be \$3,334 ($(\$10,000 \times (\$150,000 - \$100,000) / \$150,000)$).

10. From time to time, you may ask for assistance for a “Special Project.” A Special Project involves our delivery of goods or services such as special advertising assistance that falls outside the services we already offer. You are not required to use us for a Special Project, and we are not required to deliver Special Project goods or services to you; but if we agree to work together, we will charge you our then-current fee. We may increase our fee at any time and in any amount, and we will notify you of our then-current fee before you agree to work on a Special Project with us. Maximum increase of 10%.

11. We may, in the future, require all franchisees to add new goods or services to those already sold through the Business or add new technology. If we do this, you may incur additional expenses, some of which may be due to an affiliate, a designated or approved supplier, or us. We have no formula for determining what such costs, fees, or expenses might be, so we cannot give you an estimate of such expenses. If we introduce new lines of goods or services, we will notify you in writing and give you a reasonable time to comply with the changes.

12. If assessed by your state, and except for our income taxes, you will reimburse us for all taxes we pay for products or services we furnish you, on our collection of the IFF, on the collection of royalties and advertising contributions, and the collection of similar fees or costs.

ITEM 7

ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
IFF(1)	\$68,500 to \$88,500	Lump sum	At the signing of Franchise Agreement (1)	Us
Rent (2)	\$0 to \$800	As arranged	As per lease terms	Landlord
Rental Improvements (2)	\$0 to \$400	As arranged	If incurred	Vendors
Deposits (2)	\$0 to \$1,000	As arranged	As incurred	Utilities and Landlord
American Payroll Association Training Fee (3)	\$0 to \$1,810	As arranged	As incurred	American Payroll or Our Then-current Supplier Who May Be an Affiliate.
Training Expenses (3)	\$0	As arranged	Before opening	None.
Computer System (4)	\$0 to \$3,000	As arranged	Before opening	Vendors
Furniture, Fixtures, Equipment, and Phone Lines (4)	\$0 to \$1,000	As arranged	Before opening	Vendors
Technology	\$1,500	As arranged	Before opening	Us

disclosure. No outlets disclosed in the charts below operate in more than one territory. We obtained the data in Chart 1 from monthly revenue reports and from responses to a questionnaire sent to all franchisees that reported income and expenses for every month in 2025.

Table 1

(Modified graphics)

							Total Income (3)	Total COGS (4)	Total Franchise, Operating & Sales Expense (5)	Total Marketing Expense (6)	Gross Profit (7)	Total Fixed Operating Expenses (8)	EBITDA (9)	Total Employees EOY (10)	Average Employee Count (11)	Average Monthly Revenue Per Employee (12)	Average Monthly Revenue Per Client (13)	
164	x	239	226	52	413		\$ 1,425,323.00	\$ 593,655.00	\$ 600,044.00	\$ 155,704.00	\$ 5,085.00	\$ 444,341.00	\$ 42,208.00	\$ 238,875.00	1,418	3	\$ 33.26	\$ 121.07
114.43	x	440.255	159.42	31.36	568.241		\$ 3,457,208.00	\$ 682,665.00	\$ 248,883.00	\$ 3,528.00	\$ 775,023.00	\$ 51,908.00	\$ 526,181.00	5,000	9	\$ 24.25	\$ 233.87	
135.24	x	440.193	127.24	29.16	538.201		\$ 3,425,323.00	\$ 953,654.00	\$ 232,704.00	\$ 2,362.00	\$ 471,669.00	\$ 80,204.00	\$ 238,875.00	4,335	18	\$ 21.40	\$ 229.77	
164.00	x	239.120	226.12	52.8 (14)	413.204		\$ 600,044.00	\$ 155,704.00	\$ 157,693.00	\$ 5,085.00	\$ 444,341.00	\$ 42,208.00	\$ 238,875.00	1,418	3	\$ 33.26	\$ 121.07	
143.88	x	255.165	42.46	56.18	241.193		\$ 586,844.00	\$ 284,899.00	\$ 124,284.00	\$ 2,870.00	\$ 302,444.00	\$ 37,457.00	\$ 178,160.00	1,909	18	\$ 25.34	\$ 202.98	
124.52	x	193.179	24.21	16.30	201.179		\$ 573,864.00	\$ 322,379.00	\$ 148,850.00	\$ 23,228.00	\$ 250,886.00	\$ 50,038.00	\$ 102,035.00	2,042	19	\$ 23.39	\$ 237.67	
100.83	x	320.162	12.57	128 (14)	204.193		\$ 538,639.00	\$ 294,869.00	\$ 112,959.00	\$ 2,842.00	\$ 244,263.00	\$ 28,619.00	\$ 131,808.00	1,884	9	\$ 23.86	\$ 229.08	
198.01	x	165.154	46.18	18.21	193.151		\$ 509,429.00	\$ 301,383.00	\$ 130,905.00	\$ 4,182.00	\$ 208,048.00	\$ 5,203.00	\$ 78,647.00	1,894	10	\$ 23.08	\$ 219.96	
152.49	x	179.179	21.21	30.27	170.173		\$ 466,859.00	\$ 330,358.00	\$ 120,349.00	\$ 2,608.00	\$ 136,496.00	\$ 28,038.00	\$ 16,156.00	884	5	\$ 45.56	\$ 228.89	
133.45	x	162.73	57.27	28.9	191.91		\$ 427,957.00	\$ 204,179.00	\$ 92,686.00	\$ 2,849.00	\$ 223,134.00	\$ 43,639.00	\$ 130,498.00	1,420	17	\$ 24.90	\$ 186.46	
101.95	x	154.120	21.13	151.237	\$ 417,609.00		\$ 179,427.00	\$ 91,649.00	\$ 882.00	\$ 238,859.00	\$ 23,765.00	\$ 146,870.00	991	6	\$ 36.98	\$ 239.47		
149.62	x	179.173	21.48	27.24	173.197		\$ 417,609.00	\$ 250,617.00	\$ 75,494.00	\$ 3,396.00	\$ 166,630.00	\$ 15,111.00	\$ 91,942.00	1,049	6	\$ 37.15	\$ 209.99	
143.65	x	73.115	27.43	9.23	91.155		\$ 366,981.00	\$ 203,497.00	\$ 67,070.00	\$ 1,863.00	\$ 163,930.00	\$ 18,976.00	\$ 95,817.00	1,213	13	\$ 25.21	\$ 336.06	
195.87	x	120.169	130.54	13.27	237.176		\$ 354,037.00	\$ 144,728.00	\$ 64,894.00	\$ 4,172.00	\$ 209,309.00	\$ 14,127.00	\$ 144,815.00	1,689	9	\$ 17.47	\$ 124.49	
132.17	x	173.125	48.24	24.19	197.127		\$ 350,933.00	\$ 105,728.00	\$ 76,880.00	\$ 1,650.00	\$ 245,205.00	\$ 29,895.00	\$ 168,325.00	1,301	19	\$ 22.48	\$ 148.43	
166.16	x	135.172	43.24	23.28	155.168		\$ 342,149.00	\$ 73,192.00	\$ 148,248.00	\$ 500.00	\$ 268,957.00	\$ 61,114.00	\$ 120,708.00	1,067	9	\$ 26.72	\$ 183.95	
187.27	x	149.127	54.23	27.20	176.115		\$ 332,114.00	\$ 101,453.00	\$ 92,228.00	\$ 2,789.00	\$ 231,286.00	\$ 35,494.00	\$ 139,035.00	842	5	\$ 32.93	\$ 157.54	
117.81	x	125.63	21.115	18.127	127.160		\$ 331,606.00	\$ 100,118.00	\$ 58,477.00	\$ 1,189.00	\$ 231,438.00	\$ 14,525.00	\$ 173,011.00	1,208	10	\$ 22.88	\$ 217.59	
154.14	x	172.151	24.22	28.10	168.127		\$ 320,087.00	\$ 116,125.00	\$ 94,700.00	\$ 2,237.00	\$ 203,380.00	\$ 29,801.00	\$ 109,254.00	851	18	\$ 31.54	\$ 158.49	
138.127	x	112.101	33.20	20.111	111.111		\$ 313,698.00	\$ 123,612.00	\$ 102,344.00	\$ 7,840.00	\$ 190,866.00	\$ 35,768.00	\$ 87,742.00	866	8	\$ 30.19	\$ 227.32	
162.181	x	113.107	23.16	9.18	114.114		\$ 298,592.00	\$ 106,852.00	\$ 84,246.00	\$ 640.00	\$ 191,740.00	\$ 26,651.00	\$ 107,494.00	1,082	7	\$ 23.00	\$ 155.52	
134.138	x	115.125	22.10	29.10	127.155		\$ 296,643.00	\$ 146,563.00	\$ 105,506.00	\$ 6,220.00	\$ 150,080.00	\$ 19,510.00	\$ 44,574.00	1,314	10	\$ 18.81	\$ 194.65	
138.173	x	101.125	30.28	20.111	113.133		\$ 291,963.00	\$ 85,275.00	\$ 43,887.00	\$ 961.00	\$ 206,688.00	\$ 13,973.00	\$ 162,801.00	940	8	\$ 25.88	\$ 219.19	
162.108	x	107.77	16.5	9.15	114.72		\$ 280,169.00	\$ 64,192.00	\$ 49,256.00	\$ 375.00	\$ 215,973.00	\$ 17,825.00	\$ 166,021.00	1,216	11	\$ 18.30	\$ 204.10	
118.118	x	150.93	34.25	29.17	155.101		\$ 278,022.00	\$ 7,984.00	\$ 85,673.00	\$ 458.00	\$ 270,048.00	\$ 14,581.00	\$ 67,018.00	907	16	\$ 25.54	\$ 149.47	
141.115	x	125.129	28.18	20.17	133.130		\$ 277,239.00	\$ 153,476.00	\$ 56,745.00	\$ 820.00	\$ 123,763.00	\$ 8,744.00	\$ 67,018.00	925	7	\$ 24.98	\$ 173.71	
173.139	x	78.96	55.28	15.6	118.106		\$ 273,311.00	\$ 48,892.00	\$ 98,794.00	\$ 16,477.00	\$ 224,419.00	\$ 24,079.00	\$ 125,625.00	1,066	9	\$ 21.37	\$ 193.02	
108.72	x	77.67	5.22	10.7	72.82		\$ 254,027.00	\$ 188,599.00	\$ 64,281.00	\$ 1,202.00	\$ 65,428.00	\$ 30,269.00	\$ 1,447.00	581	8	\$ 36.44	\$ 294.01	
153.180	x	93.60	25.17	17.5	72.82		\$ 253,390.00	\$ 69,477.00	\$ 80,030.00	\$ 5,941.00	\$ 183,914.00	\$ 32,733.00	\$ 103,883.00	1,259	12	\$ 16.37	\$ 209.07	
115.74	x	129.89	18.21	14.130	130.96		\$ 247,486.00	\$ 67,355.00	\$ 48,304.00	\$ 509.00	\$ 180,130.00	\$ 16,084.00	\$ 131,823.00	1,247	9	\$ 19.95	\$ 158.64	
159.02	x	96.31	28.41	6.6	106.66		\$ 217,885.00	\$ 147,633.00	\$ 38,408.00	\$ 1,575.00	\$ 70,352.00	\$ 17,714.00	\$ 31,944.00	1,122	11	\$ 19.19	\$ 174.37	
172.06	x	67.36	22.39	7.4	82.61		\$ 191,049.00	\$ 111,855.00	\$ 136,330.00	\$ 7,324.00	\$ 79,184.00	\$ 43,428.00	\$ (57,336.00)	489	16	\$ 32.76	\$ 194.16	
180.83	x	60.41	17.31	5.10	72.62		\$ 189,604.00	\$ 83,404.00	\$ 62,324.00	\$ 1,104.00	\$ 106,200.00	\$ 27,083.00	\$ 43,476.00	558	8	\$ 28.32	\$ 219.46	
174.11	x	89.43	21.9	14.4	96.48		\$ 159,997.00	\$ 38,662.00	\$ 34,135.00	\$ 895.00	\$ 121,300.00	\$ 12,944.00	\$ 87,265.00	548	6	\$ 24.33	\$ 138.89	
192.85	x	31.20	41.8	6.0	66.28		\$ 158,466.00	\$ 22,048.00	\$ 44,490.00	\$ 1,706.00	\$ 136,118.00	\$ 16,300.00	\$ 91,608.00	708	11	\$ 18.11	\$ 199.20	
196.29	x	36.37	29.0	4.8	61.29		\$ 144,309.00	\$ 40,468.00	\$ 77,413.00	\$ 2,567.00	\$ 103,858.00	\$ 14,188.00	\$ 26,446.00	692	11	\$ 17.90	\$ 197.14	
193.61	x	41.30	31.4	10.2	62.32		\$ 131,612.00	\$ 58,602.00	\$ 57,824.00	\$ 1,528.00	\$ 73,009.00	\$ 32,151.00	\$ 15,189.00	540	19	\$ 20.31	\$ 176.90	
123.89	x	43.32	9.10	4.5	48.37		\$ 96,918.00	\$ 63,716.00	\$ 42,209.00	\$ 13,646.00	\$ 33,002.00	\$ 7,245.00	\$ (9,274.00)	144	8	\$ 55.97	\$ 167.94	
185.85	x	20.5	8.37	0.0	28.42		\$ 84,757.00	\$ 17,459.00	\$ 33,318.00	\$ 1,644.00	\$ 67,304.00	\$ 14,045.00	\$ 33,998.00	392	13	\$ 20.07	\$ 252.28	
129.83	x	37.8	0.33	8.2	29.39		\$ 81,329.00	\$ 14,034.00	\$ 30,736.00	\$ 170.00	\$ 67,259.00	\$ 5,277.00	\$ 36,559.00	364	13	\$ 18.62	\$ 237.90	
155.88	x	30.2	4.44	2.11	32.35		\$ 67,060.00	\$ 20,069.00	\$ 43,107.00	\$ 80.00	\$ 46,991.00	\$ 2,311.00	\$ 3,884.00	346	11	\$ 18.15	\$ 174.64	
189.11	x	32.3	10.27	5.4	37.26		\$ 55,598.00	\$ 18,969.00	\$ 28,531.00	\$ 2,770.00	\$ 36,568.00	\$ 12,702.00	\$ 8,058.00	297	6	\$ 19.93	\$ 125.09	
205.97	x	5.0	37.12	0.0	42.12		\$ 47,182.00	\$ 12,399.00	\$ 46,257.00	\$ 9,492.00	\$ 34,793.00	\$ 18,457.00	\$ (11,058.00)	390	18	\$ 11.52	\$ 93.67	
203.97	x	8.5	33.19	2.3	39.19		\$ 36,819.00	\$ 11,537.00	\$ 21,574.00	\$ 1,909.00	\$ 25,383.00	\$ 4,778.00	\$ 3,920.00	178	3	\$ 26.02	\$ 78.73	
208.02	x	2.0	44.14	11.1	35.13		\$ 34,224.00	\$ 10,678.00	\$ 25,804.00	\$ 89.00	\$ 23,419.00	\$ 8,069.00	\$ (1,583.00)	79	2	\$ 38.66	\$ 81.52	
211.10	x	3.1	27.11	4.0	26.12		\$ 28,071.00	\$ 6,027.00	\$ 30,802.00	\$ 2,792.00	\$ 22,089.00	\$ 14,320.00	\$ (8,733.00)	203	8	\$ 11.68	\$ 90.61	
207.04	x	0.0	12.13	0.5	12.8		\$ 26,283.00	\$ 9,147.00	\$ 46,869.00	\$ 7,752.00	\$ 17,142.00	\$ 20,203.00	\$ (29,727.00)	133	11	\$ 16.47	\$ 182.52	
Total	x	5429	1901	735	19	6450	\$ 2,310,000.00	\$ 984,500.00	\$ 27,742.00	\$ 1,200.00	\$ 13,267.00	\$ 11,600.00	\$ (14,870.00)	1885	8	\$ 12.54	\$ 103.86	
Average	x	0	14	1	13		\$ 22,732.00	\$ 8,459.60	\$ 39,349.80	\$ -	\$ 14,274.80	\$ (25,075.80)	\$ 96	7	\$ 19.73	\$ 145.72		
High	x	1	440	26	96	13	\$ 1,457,208.00	\$ 281,082.00	\$ 93,349.80	\$ 2,220.00	\$ 770,713.00	\$ 80,204.00	\$ 238,875.00	5000	13	\$ 24.25	\$ 233.87	
Median	x	95	11	26	0	13	\$ 1,425,323.00	\$ 593,655.00	\$ 600,044.00	\$ 5,085.00	\$ 444,341.00	\$ 42,208.00	\$ 238,875.00	1,418	3	\$ 33.26	\$ 121.07	
Low	x	0	13	0	8		\$ 9,986.00	\$ 8,538.00	\$ 34,859.00	\$ 542.00	\$ 1,079.00	\$ 10,967.00	\$ (33,581.00)	30	4	\$ 21.60	\$ 103.73	

Table 2

Full Time Owner Operations

(Modified)

		Clients Added (2)	Clients Dropped (2)	Clients EOY (2)	Total Revenue (3)	Total COGS (4)	Total Franchise, Operating & Sales Expenses (5)	Total Marketing Expense (6)	Gross Profit (7)	Total Fixed Operating Expenses (8)	EBBITDA (9)	Total Employees EOY (10)	Average Employee Count (11)	Average Monthly Revenue Per Employee (12)	Average Monthly Revenue Per Client (13)
Average		83	36	34	328	\$ 226,634.65	\$ 81,828.44	\$ 96,289.38	\$ 3,233.91	\$ 142,806.21	\$ 22,437.18	811	8	\$ 22.40	\$ 166.87
# that Exceed		35	36	34	108	\$ 224,639.65	\$ 81,828.44	\$ 66,939.38	\$ 3,153.91	\$ 142,806.21	\$ 22,437.18	811	8	\$ 22.40	\$ 166.87
Median		81	28	34	96	\$ 256,438.00	\$ 65,730.24	\$ 52,284.50	\$ 1,682.00	\$ 143,099.00	\$ 17,077.50	816	8	\$ 22.78	\$ 166.87
Min		81	26	31	93	\$ 236,409.00	\$ 6,677.50	\$ 35,284.50	\$ 1,632.00	\$ 143,099.00	\$ 17,077.50	834	8	\$ 22.70	\$ 166.87
Max		255	226	56	413	\$ 600,044.00	\$ 322,379.00	\$ 157,693.00	\$ 23,228.00	\$ 444,341.00	\$ 61,114.00	2,042	13	\$ 38.46	\$ 336.06
Average		133	48	23	172	\$ 366,139.76	\$ 138,302.71	\$ 93,083.76	\$ 3,964.65	\$ 227,727.24	\$ 29,572.12	1,265	8	\$ 24.54	\$ 190.14
# that Exceed		109	48	20	172	\$ 366,119.76	\$ 138,392.71	\$ 93,083.76	\$ 3,964.65	\$ 227,727.24	\$ 29,572.12	1,266	8	\$ 24.54	\$ 190.14
Median		125	28	20	159	\$ 332,734.00	\$ 123,612.00	\$ 85,673.00	\$ 2,793.00	\$ 215,977.00	\$ 29,095.00	1,239	9	\$ 24.90	\$ 186.46
Min		125	28	20	165	\$ 232,616.00	\$ 123,612.00	\$ 85,673.00	\$ 2,793.00	\$ 215,977.00	\$ 29,095.00	1,249	7	\$ 24.96	\$ 186.46
Max		255	226	56	413	\$ 600,044.00	\$ 322,379.00	\$ 157,693.00	\$ 23,228.00	\$ 444,341.00	\$ 61,114.00	2,042	13	\$ 35.26	\$ 336.06
Average		27	23	5	45	\$ 81,149.53	\$ 25,268.18	\$ 40,895.00	\$ 2,883.38	\$ 35,822.24	\$ 7,015.24	396	8	\$ 20.39	\$ 143.55
# that Exceed		7	7	5	45	\$ 85,149.53	\$ 25,268.18	\$ 40,895.00	\$ 2,883.38	\$ 35,822.24	\$ 7,015.24	396	8	\$ 20.39	\$ 143.55
Median		8	19	5	37	\$ 47,882.00	\$ 12,399.00	\$ 18,900.00	\$ 1,200.00	\$ 24,383.00	\$ 4,683.00	237	8	\$ 19.53	\$ 138.89
Min		0	8	0	8	\$ 9,648.00	\$ 5,039.00	\$ 2,339.00	\$ -	\$ 1,079.00	\$ 4,379.00	30	2	\$ 11.29	\$ 28.33
Max		139	94	37	130	\$ 284,690.00	\$ 80,000.00	\$ 57,743.00	\$ 984.00	\$ 180,330.00	\$ 32,150.00	1,217	13	\$ 38.60	\$ 258.25

Part-Time Owner Operators

(Modified)

		Clients Added (2)	Clients Dropped (2)	Clients EOY (2)	Total Income (3)	Total COGS (4)	Total Franchise, Operating & Sales Expenses (5)	Total Marketing Expense (6)	Gross Profit (7)	Total Fixed Operating Expenses (8)	EBBITDA (9)	Total Employees EOY (10)	Average Employee Count (11)	Average Monthly Revenue Per Employee (12)	Average Monthly Revenue Per Client (13)
Average		28	28	24	234	\$ 441,623.19	\$ 235,681.61	\$ 109,390.18	\$ 1,851.99	\$ 232,242.38	\$ 32,690.64	4,380	10	\$ 20.24	\$ 206.73
# that Exceed		7	4	6	4	\$ 441,623.19	\$ 235,681.61	\$ 109,390.18	\$ 1,851.99	\$ 232,242.38	\$ 32,690.64	4,380	10	\$ 20.24	\$ 206.73
Median		140	23	24	130	\$ 325,885.00	\$ 244,378.00	\$ 109,390.00	\$ 1,900.00	\$ 216,495.00	\$ 30,000.00	1,380	8	\$ 29.23	\$ 206.73
Min		30	0	2	20	\$ 67,060.00	\$ 34,034.00	\$ 30,736.00	\$ -	\$ 33,002.00	\$ 5,217.00	144	10	\$ 16.35	\$ 158.77
Max		440	127	128	568	\$ 1,457,708.00	\$ 953,654.00	\$ 248,882.00	\$ 16,477.00	\$ 775,073.00	\$ 80,204.00	5,009	13	\$ 55.97	\$ 294.01
Average		250	41	38	266	\$ 695,551.25	\$ 386,531.75	\$ 133,820.25	\$ 1,795.75	\$ 309,019.50	\$ 30,886.18	2,140	8	\$ 29.64	\$ 219.07
# that Exceed		3	2	1	2	\$ 2	\$ 2	\$ 2	\$ 4	\$ 2	\$ 2	2	2	\$ 3	\$ 5
Median		209	20	18	208	\$ 496,143.00	\$ 308,876.00	\$ 133,820.00	\$ 1,798.00	\$ 309,000.00	\$ 30,886.00	2,124	8	\$ 29.63	\$ 219.07
Min		123	12	18	127	\$ 331,606.00	\$ 100,118.00	\$ 58,477.00	\$ -	\$ 136,496.00	\$ 5,703.00	894	5	\$ 22.88	\$ 200.99
Max		440	127	128	568	\$ 1,457,708.00	\$ 953,654.00	\$ 248,882.00	\$ 3,538.00	\$ 775,073.00	\$ 80,204.00	5,009	10	\$ 45.56	\$ 230.47
Average		75	14	10	82	\$ 187,695.13	\$ 88,865.88	\$ 68,580.00	\$ 5,307.63	\$ 98,829.25	\$ 23,144.50	630	8	\$ 28.60	\$ 198.45
# that Exceed		4	4	3	4	\$ 4	\$ 4	\$ 3	\$ 3	\$ 2	\$ 4	4	4	\$ 4	\$ 2
Median		75	15	10	80	\$ 180,956.35	\$ 87,795.85	\$ 68,690.00	\$ 5,300.00	\$ 98,602.00	\$ 23,146.00	628	9	\$ 28.60	\$ 198.45
Min		30	0	2	29	\$ 67,060.00	\$ 14,034.00	\$ 30,736.00	\$ -	\$ 33,002.00	\$ 5,217.00	144	3	\$ 16.35	\$ 158.77
Max		172	28	28	168	\$ 320,082.00	\$ 188,599.00	\$ 136,330.00	\$ 16,477.00	\$ 224,419.00	\$ 43,428.00	1,122	13	\$ 55.97	\$ 294.01

(1) "ID" is a number assigned to each franchisee of the chart to preserve their anonymity. The asterisks next to some ID numbers indicates that this is a full-time Business, the operator(s) worked an average of 40 or more hours per week during 2025.

(2) "Client Data 2025" is divided into 4 parts: "Clients BOY" is the number of clients at the beginning of the year; "Clients Added" is the number of new Clients served by a Business during 2025; "Clients Dropped" is the number of Clients that left the Business in 2025; and "Clients EOY" is the total number of Clients served by the Business as of December 31, 2025.

(3) "Total Revenue/Income" means the total revenue derived from the sale of payroll and workforce management services including, taxes, discounts, allowances, and returns.

(4) "Total COGS" means the total cost of goods sold, including direct labor costs and isolved software, PEPM and PCPM fees.

(5) "Total Franchisee, Operating & Sales Expenses" means expenses incurred by franchised Businesses including Royalty fees, Digital Marketing Fees, Managed Social Media Fees, Technology Fees, CRM Software Fees, Email Fees, Accounting Fees, and other fees described in the franchise agreement, the fixed operating expenses of the business and the marketing & sales expenses of the Business.

(6) "Total Marketing Expense" means marketing expenses, excluding sales expense, related to directly marketing the business.

MICHIGAN	Michigan Department of Attorney General Consumer Protection Division Antitrust and Franchise Unit 670 Law Building Lansing, MI 48913 (517) 373-7117	Michigan Department of Commerce, Corporations and Securities Bureau
MINNESOTA	Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1500	Minnesota Commissioner of Commerce
NEW YORK	NYS Department of Law Investor Protection Bureau 28 Liberty Street, 21st Floor New York, NY 10005 (212) 416-8222 Phone (212) 416-6042 Fax	Attention: New York Secretary of State New York Department of State One Commerce Plaza 99 Washington Avenue, 6th Floor Albany, NY 11231-0001 (518) 473-2492
NORTH DAKOTA	North Dakota <u>Insurance & Securities Department</u> 600 East Boulevard, <u>5th Floor Dept. 401</u> Bismarck, ND 58505-0510 <u>58505</u> (701) 328-4712 <u>328-2910</u>	North Dakota <u>Insurance &</u> <u>Securities</u> <u>Commissioner</u> <u>Department</u>
OREGON	Department of Consumer and Business Services Division of Finance and Corporate Labor and Industries Building Salem, Oregon 97310 (503) 378-4387	Director of the Department of Consumer and Business Services
RHODE ISLAND	Department of Business Regulation Division of Securities 1511 Pontiac Avenue, Building 69-1 Cranston, RI 02920 (401) 462-9585	Director of Rhode Island Department of Business Regulation
SOUTH CAROLINA	Secretary of State P.O. Box 11350 Columbia, SC 29211 (803) 734-2166	Legalinc Corporate Services Inc. 1591 Savannah Highway Suite 201 Charleston, SC 29407
SOUTH DAKOTA	Division of Insurance Securities Regulation 124 South Euclid, Suite 104 Pierre, SD 57501 (605) 773-3563	Director of Insurance-Securities Regulation
VIRGINIA	State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9th Floor Richmond, VA 23219 (804) 371-9051	Clerk of State Corporation Commission 1300 East Main Street, 1st Floor Richmond, VA 23219 (804) 371-9733

STATE OF MINNESOTA

The following Minnesota-specific language must be included in an exhibit attached to the Franchise Disclosure Document and also to the franchise agreements:

Minnesota Statutes, Section 80C.21 and Minnesota Rules 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring the waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties, or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes, Section 80C.14, Subd. 3-5, which require (except in certain specified cases) (1) that a franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the franchise agreement and (2) that consent to the transfer of the franchise will not be unreasonably withheld.

The franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes, or other commercial symbols or indemnify the franchisee from any loss, costs, or expenses arising out of any claim, suit, or demand regarding the use of the name.

Minnesota considers it unfair not to protect the franchisee's right to use the trademarks. Refer to Minnesota Statutes, Section 80C.12, Subd. 1(g).

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. 3.

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

Items 5 and 7 of the Franchise Disclosure Document are amended to state, payment of the Initial Franchise/Development Fees will be deferred until Franchisor has met its initial obligations to the franchisee and the franchisee has commenced doing business. The financial assurance requirement was imposed by the Minnesota Department of Commerce due to Franchisor's financial condition.

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.

STATE OF VIRGINIA

~~In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for Payroll Vault Franchising, LLC for use in the Commonwealth of Virginia shall be amended as follows:~~

~~Additional Disclosure.—~~

~~Item 3 is amended to state the following:~~

~~Item 5 is amended to include the deferral of payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its preopening obligations under the franchise agreement.~~

1. The following statements are added to Item 17.h.

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the ~~Franchise Agreement~~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.

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 right 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.

2. 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 our behalf. This provision supersedes any other term of any document executed in connection with the franchise.

3. The following statements are added to Item 17 and are effective for all agreements signed on or after July 1, 2026:

i. 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.

ii. 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.

4. Each provision of this Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Virginia Retail Franchising Act are met independently without reference to this Amendment.

State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered, or exempt from registration, as of the Effective Date stated below:

STATE	EFFECTIVE DATE
California	<i>Pending</i>
Hawaii	<i>Pending</i>
Illinois	<i>Pending</i> <u>April 30, 2026</u>
Indiana	<i>Pending</i>
Maryland	<i>Pending</i>
Michigan	<i>September 2, 2026</i>
Minnesota	<i>Pending</i>
New York	<i>Pending</i> <u>May 28, 2026</u>
North Dakota	<i>Pending</i> <u>June 10, 2026</u>
Rhode Island	<i>Pending</i> <u>June 4, 2026</u>
South Dakota	<i>Pending</i> <u>April 30, 2026</u>
Virginia	<i>Pending</i>
Washington	<i>Pending</i>
Wisconsin	<i>Pending</i>

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.