

FRANCHISE DISCLOSURE DOCUMENT



Franchise Velox Valuations LLC
An Indiana Limited Liability Company
704 South State Road 135, STE D 393,
Greenwood, IN 46143
(317) 482-7700
Chad.barker@veloxval.com
Paul.bradley@veloxval.com
<https://veloxval.com/>

As a Velox Valuations franchisee, you will operate a business that offers real estate appraisals and other valuation services to a diverse client base, including but not limited to, lenders, attorneys, appraisal management companies and private homeowners, under the trademark “Velox Valuations”.

The total investment necessary to begin operation of a Velox Valuations franchise is \$35,800 to \$60,200. This includes \$20,000 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, please contact Chad Barker at 704 South State Road 135, STE D 393, Greenwood, IN 46143 and (317) 372-8682.

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

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as “A Consumer’s Guide to Buying a Franchise,” which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 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 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: February 24, 2025, as amended August 8, 2025

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit F.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit D includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only Velox Valuations business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be an Velox Valuations franchisee?	Item 20 or Exhibit F lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in 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. **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:

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

- (i) The failure of the proposed transferee to meet the franchisor's then-current reasonable qualifications or standards.
- (ii) The fact that the proposed transferee is a competitor of the franchisor or sub-franchisor.
- (iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.
- (iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

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

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

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

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

Any questions regarding this notice should be directed to:

State of Michigan Department of Attorney General
 G. Mennen Williams Building, 7th Floor
 525 W. Ottawa Street
 Lansing, Michigan 48909
 Telephone Number: (517) 373 7117

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Exhibits

- A. State Administrators and Agents for Service of Process
 - B. Franchise Agreement (with attachments: Ownership Information; Guaranty and Non-Compete Agreement; Acknowledgement Addendum)
 - C. Form of General Release
 - D. Financial Statements
 - E. Brand Standards Manual Table of Contents
 - F. Current and Former Franchisees
 - G. Form of Promissory Note
 - H. State Addenda to Disclosure Document and Franchise Agreement
- State Effective Dates
- Receipt (2 copies)

Item 1
THE FRANCHISOR AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

In this disclosure document, “we”, “us,” or “our” refers to the franchisor, Franchise Velox Valuations LLC. “You” means the person to whom we grant a franchise. If you are a corporation, limited liability company, or other entity, each owner of the franchisee entity must sign our Guaranty and Non-Compete Agreement, which means that all of the franchise agreement’s provisions also will apply to your owners.

The Franchisor, Parents, Predecessors and Affiliates

The franchisor is Franchise Velox Valuations LLC, an Indiana limited liability company. We were formed on April 23, 2024 under the name Velox Holdings, LLC. We changed our name to Franchise Velox Valuations LLC on November 4, 2024. Our principal business address is 704 South State Road 135, STE D 393, Greenwood, IN 46143. We conduct business using the names “Franchise Velox Valuations LLC” and “Velox Valuations”. We do not intend to use any other names to conduct business. We have offered Velox Valuations franchises since May 2024. We have not conducted a business of the type to be offered by a Velox Valuations franchisee; however, our parent has, as noted below.

Our parent is Velox Valuations LLC. We do not operate businesses of the type being franchised, but our parent, Velox Valuations LLC, does. Velox Valuations LLC was formed on January 19, 2020 and is located at 10 Innisbrooke Trail, Greenwood, IN 46142. Velox Valuations LLC has operated Velox Valuations businesses since 2020. As of December 31, 2024, Velox Valuations LLC operated 41 Velox Valuations businesses across the United States.

We do not have any other business activities. We have not offered franchises in other lines of business.

We do not have any affiliates that offer franchises in any line of business or provide products or services to our franchisees. We do not have any predecessors.

Agent for Service of Process

Our agent for service of process in Indiana is Mr. Chad Barker, and the agent’s principal business address is 10 Innisbrooke Trail, Greenwood, IN 46142. Our agents for service of process in other states are disclosed in Exhibit A.

Information About the Franchises Offered

If you sign a franchise agreement with us, you will develop and operate a business offering real estate appraisals and other valuation services to a diverse client base, including but not limited to, lenders, attorneys, appraisal management companies and private homeowners, under the trade name Velox Valuations.

Market and Competition

We operate in the real estate appraisal and valuation services market that is well developed. Our products and services are offered year-round. You will compete for customers with independent owners, national chains, regional chains, and franchised businesses, offering real estate appraisals and other valuation services.

Industry-Specific Laws and Regulations

Operation of a small business will require you to be aware of federal, state and local laws and regulations that apply to all businesses including federal, state, and local employment laws and regulations, specifically including minimum wage and wage requirements.

Real estate appraisal and valuation services must be conducted by appraisers licensed under applicable state laws. There are different levels of appraiser licenses, including a Trainee Appraiser, a Licensed Appraiser, a Certified Appraiser and a Certified General Appraiser. The licensing requirements will vary depending on the state in which you will operate the Franchised Business. The certification is provided through the State Board of Licensing in each state. The Trainee's certification requires that the applicant have either a Bachelor's Degree or other approved level of education, he or she passes a certain number of courses recognized by the state which qualify as approved education and then passes a state exam for appraisal service work. In order for an appraiser to obtain the next level of appraisal certification, the appraiser must work under a supervisor appraiser for a minimum of two years. At the end of the two years, the trainee will take another exam which will qualify them for either a licensed or certified appraiser.

We are not aware of any other laws or regulations specific to the industry. You are responsible for investigating and complying with all applicable laws and regulations.

Item 2 BUSINESS EXPERIENCE

Chad Barker– Member/Chairman of the Board. Chad Barker has been our Member and Chairman of the Board in Greenwood, Indiana, since April 2024. Since January 2020, he has also been the CEO of our affiliate, Velox Valuations LLC in Indianapolis, Indiana. From August 2018 until January 2020, he was a vice president of Mr. Cooper/Xome in Indianapolis, Indiana.

Paul Bradley– Member/Chief People Officer. Paul Bradley has been our Member and CPO in Greenwood, Indiana, since April 2024. Since April 2020, he has also been the CPO for our affiliate, Velox Valuations LLC in Berlin, MD. From August 2018 until April 2020, he was a vice president of Mr. Cooper/Xome in Berlin, MD.

Steven Rud– Member/VP of Operations. Steven Rud has been our Member and VP of Operations in Greenwood, Indiana, since April 2024. Since April 2020, he has also been the VP of Operations for our affiliate, Velox Valuations LLC in Tampa, FL. From August 2018 until April 2020, he was an assistant vice president of Mr. Cooper/Xome in Tampa, FL.

Patrick McCarthy– Member/Chief Appraiser. Patrick McCarthy has been our Member and Chief Appraiser in Greenwood, Indiana, since April 2024. Since April 2020, he has also been the Chief

Appraiser for our affiliate, Velox Valuations LLC in Indianapolis, IN. From August 2018 until April 2020, he was an assistant vice president of Mr. Cooper/Xome in Indianapolis, IN.

Jason Barile– Member/VP of Finance. Jason Barile has been our Member and VP of Finance in Greenwood, Indiana, since April 2024. Since April 2020, he has also been the VP of Finance for our affiliate, Velox Valuations LLC in Greenwood, Indiana. From August 2018 until April 2020, he was an assistant vice president of Mr. Cooper/Xome in Greenwood, Indiana.

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

Initial Franchise Fee

When you sign your franchise agreement, you must pay us \$20,000 as the initial franchise fee. This fee is uniform, fully earned upon receipt and is not refundable. This fee is paid in a lump sum upon signing of the Franchise Agreement, except as noted here below:

If you have been an existing employee of ours for at least one year or are an honorably discharged U.S. Military Veteran, you will pay a discounted initial franchise fee of \$15,000, and you may pay this fee as follows: \$7,500 upon signing of the Franchise Agreement and the remainder in 12 monthly payments of \$645.50 each, which amount includes a 6% interest rate. You will sign a promissory note in the form of Exhibit G.

If you are an existing certified appraiser purchasing the Velox Valuations franchise, your initial franchise fee will be \$20,000, but you will have the option to pay this fee as follows: \$12,500 upon signing of the Franchise Agreement, and the remainder in 12 monthly installments of \$645.50 each, which amount includes a 6% interest rate. You will sign a promissory note in the form of Exhibit G.

During our last fiscal year, franchisees paid an initial franchise fee in the amount of \$20,000.

**Item 6
OTHER FEES**

Type of Fee	Amount	Due Date	Remarks
Royalty	10% of your gross sales	Monthly, by the 15th of the following month	See Note 1 and Note 2.
Brand Fund Contribution	2% of your gross sales	Monthly, by the 15th of the following month	See Item 11 for a detailed discussion about our Brand Fund. See also Note 1 and Note 2.
Local Marketing/Required Spending	1% of your gross sales	Monthly	You must spend this amount on marketing materials or activities each month. You may only use promotional materials you have purchased from us or that we have provided to you. See Note 1.
Replacement / Additional Training fee	Currently, \$450 per day for in person training; may offer virtual training at no fee or a lower fee instead.	Prior to attending training	<p>If you send a manager or other employee to our training program after you open, or you send more than 3 trainees to our initial training program, we may charge you our then-current training fee.</p> <p>We may increase this fee in the future but not more than by 20% in any year.</p>
Software subscription charges	Currently, \$400 to \$550, depending on the subscription level and/or volume of credit transactions	Monthly	We require you to use certain third-party software as described in Item 11, including an approved CRM system, credit card processing system (currently Stripe) and an accounting platform (currently QuickBooks), and appraisal form software (currently Alamode Total), MLS and data analysis software (currently Spark or DataMaster). You pay subscription fees directly to the software suppliers, and not to us.
Tech Fee	\$120 per user	Monthly	The Tech Fee is paid to us for several software licenses which will be provided directly by us. Currently, the Tech Fee covers the following software: Anow (record production software); LastPass (enterprise password management system); Parsehub (data aggregator)

Type of Fee	Amount	Due Date	Remarks
			<p>Parserr (data extractor from emails) and Office365.</p> <p>We may change the software we require you to use and/or require you to use additional software.</p> <p>We may increase the Tech Fee but not more than by 20% in any year (except for any increases due to different or additional software being required)</p>
Non-compliance fee	\$500 per non-compliance event; if you fail to cure within 30 days, then we may charge \$250 per week of non-compliance	On demand	We may charge you \$500 if your business is not in compliance with our system specifications or the franchise agreement (other than a payment noncompliance) and you fail to correct the non-compliance after 30 days' notice. Thereafter, we may charge you \$250 per week until you correct such non-compliance.
Reimbursement	Amount that we spend on your behalf, plus 10%	Within 15 days of invoice	If we pay any amount that you owe or are required to pay to a third party, you must reimburse us such amount plus an administrative fee of 10%
Late fee	\$100, plus interest on the unpaid amount at a rate equal to 18% per year (or, if such payment exceeds the maximum allowed by law, then interest at the highest rate allowed by law)	On demand	We may charge a late fee, plus interest, if you fail to make a required payment when due.
Insufficient funds fee	\$30 (or, if such amount exceeds the maximum allowed by law, then the maximum allowed by law)	On demand	We may charge an insufficient funds fee if a payment made by you is returned because of insufficient funds in your account.

Type of Fee	Amount	Due Date	Remarks
Costs of collection	Our actual costs	As incurred	Payable if we incur costs (including reasonable attorney's fees) in attempting to collect amounts you owe to us.
Optional Appraiser Referral Fee	\$1,500 per referral whom you hire	As incurred	We will make available to you an optional appraiser referral services and tools that may assist you in finding and recruiting appraisers for your business. This service/tool is optional, and if you choose to have us provide it to you, you will pay us \$1,500 per appraiser whom we refer to you and whom you decide to hire. All hiring decisions and conditions of employment are solely and exclusively your responsibility.
Territorial Rights Infringement Fee	The greater of (i) \$500 or (ii) 75% of the amount paid by the customer outside of your territory.	On demand	If you serve a customer outside of your territory without our prior written permission or in violation of our then-current territory policy, we may impose this fee. Imposing this fee does not waive any of our other rights under the Franchise Agreement or applicable law. Serving customers outside of your territory without our consent or in violation of our then-current territory policy is a default under the Franchise Agreement and we have the right to take all action permitted under the Franchise Agreement and applicable law.
Customer complaint resolution	Our actual expenses	On demand	We may take any action we deem appropriate to resolve a customer complaint about your business. If we respond to a customer complaint, we may require you to reimburse us for our expenses.
Records audit	Our actual cost	On demand	Payable only if (1) we audit you because you have failed to submit required reports or due to other non-compliance, or (2) the audit concludes that you under-reported gross sales by more than 3% for any month.

Type of Fee	Amount	Due Date	Remarks
Non-compliance cure costs and fee	Our out-of-pocket costs and internal cost allocation, plus 10%	When billed	We may cure your non-compliance on your behalf (for example, if you do not have required insurance, we may purchase insurance for you), and you will owe our costs plus a 10% administrative fee.
Transfer fee	\$10,000 plus any broker fees and other out-of-pocket costs we incur	When transfer occurs	Payable if you sell your business or otherwise engage in a transfer.
Liquidated damages	An amount equal to royalty fees and Brand Fund contributions for the lesser of (i) 2 years or (ii) the remaining weeks of the franchise term.	On demand	Payable if we terminate your franchise agreement because of your default, or if you terminate the franchise agreement without the right to do so.
Indemnity	Our costs and losses from any legal action related to the operation of your franchise	On demand	You must indemnify and defend (with counsel reasonably acceptable to us) us and our affiliates against all losses in any action by or against us related to, or alleged to arise out of, the operation of your franchise (unless caused by our misconduct or negligence).
Prevailing party's legal costs	Our attorney fees, court costs, and other expenses of a legal proceeding, if we are the prevailing party	On demand	In any legal proceeding (including arbitration), the losing party must pay the prevailing party's attorney's fees, court costs and other expenses.

All fees are payable to us (other than local marketing spend and software subscription charges, and if applicable, customer referral fees). All fees are imposed by us and collected by us (other than local marketing spend and software subscription charges). All fees are non-refundable. All fees are uniform for all franchisees.

There are currently no marketing cooperatives, purchasing cooperatives, or other cooperatives that impose fees on you.

Notes

1. "Gross Sales" is defined in our franchise agreement as the total dollar amount of all sales generated through your business for a given period, including, but not limited to, payment

for any services or products sold by you, whether for cash or credit. Gross Sales does not include (i) bona fide refunds to customers, (ii) sales taxes collected, (iii) sale of used equipment not in the ordinary course of business, or (iv) sales of prepaid cards or similar products (but the redemption of any such card or product will be included in Gross Sales).

2. We currently require you to pay royalty fees and other amounts due to us by pre-authorized bank draft. However, we can require an alternative payment method.

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
Initial franchise fee (see Note 2)	\$20,000 - \$20,000	Check or wire transfer	Upon signing the franchise agreement	Us
Rent, Utilities, and Leasehold Improvements (see Note 3)	\$0 - \$0	Not applicable	Not applicable	Not applicable
Market Introduction Program (see Note 4)	\$3,000 - \$5,000	Check, debit, and/or credit	As incurred or when billed	Vendors and suppliers
Computer Systems (see Note 5)	\$3,000 - \$4,000	Check, debit, and/or credit	As incurred	Vendors and suppliers
Insurance (see Note 6)	\$400 - \$1,200	Check	Upon ordering	Insurance company
Vehicle (see Note 7)	\$0 - \$3,000	Check	Upon purchase	Vendor
Signage	\$400 - \$2,000	Check, debit, and/or credit	Upon ordering	Vendor
Office Expenses (see Note 8)	\$500 - \$1,000	Check, debit, and/or credit	As incurred	Vendors
Licenses and Permits (see Note 9)	\$500 - \$2,000	Check	Upon application	Government
Professional Fees (lawyer, accountant, etc.) (see Note 10)	\$1,000 - \$3,000	Check, debit, and/or credit	As incurred or when billed	Professional service firms

Type of expenditure	Amount	Method of payment	When due	To whom payment is to be made
Travel, lodging and meals for initial training (see Note 11)	\$2,000 - \$4,000	Cash, debit or credit	As incurred	Airlines, hotels, and restaurants
Additional funds (for first 3 months) (see Note 12)	\$5,000 - \$15,000	Varies	Varies	Employees, suppliers
Total	\$35,800 - \$60,200			

Notes

1. None of the expenditures in this table will be refundable.
2. The Initial Franchise Fee is \$20,000, as described in Item 5. You may qualify for a discount and/or a financing of a portion of the Initial Franchise Fee as described in Item 5 and Item 10.
3. We estimate real property, leasehold improvements, and utilities at zero because we expect you will open the franchised business as a home-based business.
4. You must develop a market introduction plan and obtain our approval of the plan at least 30 days before the projected opening date of your business. In this plan, you must outline the initial marketing and promotional expenditures you intend to make in order to promote the opening of your business during the 30 days prior to opening. You must spend \$3,000 - \$5,000 (as we determine based on your territory and other factors) on implementing the market introduction plan. We may require you to pay all or a portion of such amount to a third-party designated vendor that will in return conduct some or all of the market introduction plan activities on Franchisee's behalf.
5. This includes the estimated cost for a laptop computer and the required software we specify as outlined in Item 6 and item 11. The estimate includes the first month's Tech Fee.
6. You must obtain and maintain the insurance coverage we require as described in Item 8 and satisfy all other insurance-related obligations. These figures are estimates of the annual cost of the required insurance coverage. Your cost will depend on the number of employees you hire, the size of your Territory as well as the geographic location of your business.
7. You must use a vehicle appropriate for your business with our branded logo/wrap. It must be in excellent or better condition, clean, dent-free, and otherwise presenting a professional appearance. The low-end estimate assumes you already have a personal vehicle for the business. The high assumes you lease a new vehicle, with certain fees and costs payable upon signing the lease.

8. This covers the costs of various office supplies you will need in connection with the operation of the franchised business, including paper, business cards, stationery, envelopes etc.

9. Local government agencies typically charge fees for business licenses. Depending on your local and state laws, you may also have to pay certain taxes and fees based on your entity type (if you form an entity to be the franchisee). You must obtain an appraiser's license and/or hire an appraiser as an employee for your franchised business. Your actual costs may vary from the estimates based on your location in the country.

10. This is an estimate of the costs you may incur when consulting with an accountant, attorney and/or business advisor in connection with making a decision to enter into a Franchise Agreement with us, including having them review any agreements that you enter in connection with your franchised business and/or having an attorney help you set up an entity to be the franchisee.

11. We will not charge you a fee for up to three persons to attend our initial training program. You, however, must pay for transportation and expenses for food and lodging while attending training in Greenwood, Indiana. The total cost will vary, depending on the number of people attending, how far you travel, and the type of accommodations you choose. The amount in the table represents the estimated costs and expenses you will incur for you and two additional individuals to attend our initial training program.

12. This includes any other required expenses you will incur before operations begin and during the initial period of operations, such as payroll, additional inventory, and other operating expenses in excess of income generated by the business. It does not include any salary or compensation for you. This estimate assumes that you will begin your business operations with one to two employees. In formulating the amount required for additional funds, we relied on the following factors, basis, and experience: the development of a Velox Valuations business by our parent, and our general knowledge of the industry.

Item 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Generally

We have the right to require you to purchase or lease all goods, services, supplies, fixtures, equipment, inventory, computer hardware and software, real estate, or comparable items related to establishing or operating your business (1) either from us or our designee, or from suppliers approved by us, or (2) according to our specifications.

Specific Obligations

The following are our current specific obligations for purchases and leases:

A. Insurance. You must obtain insurance as described in the Franchise Agreement and in our Manual, which includes (i) Commercial General Liability insurance, including products liability coverage, and broad form commercial liability coverage, written on an "occurrence"

policy form in an amount of not less than \$1,000,000 single limit per occurrence and \$3,000,000 aggregate limit, (ii) Business Automobile Liability insurance including owned, leased, non-owned and hired automobiles coverage in an amount of not less than \$1,000,000, (iii) Workers Compensation coverage as required by state law, (iv) Errors and Omissions Insurance with a single instance of \$1,000,000 and an aggregate of \$2,000,000. Your policies (other than Workers Compensation) must list us and our affiliates as an additional insured, must include a waiver of subrogation in favor of us and our affiliates, must be primary and non-contributing with any insurance carried by us or our affiliates, and must stipulate that we receive 30 days' prior written notice of cancellation.

B. Computer software and hardware. You must purchase and use the computer software and hardware that we specify. We will provide some of the software licenses you will use in the operation of the franchised business for the monthly Tech Fee. Currently, for the Tech Fee, we will give you access to the following required software: Anow (record production software), LastPass (enterprise password management system), Parsehub (data aggregator), Parserr (data extractor from emails), and Office365. You must currently also use QuickBooks as your accounting platform, Stripe as your credit card processing system, and Alamode Total as your appraisal form software. You must also use an approved CRM system. You will obtain such software systems directly from the third-party suppliers. See Item 11 for more details. We may update the computer system requirements from time to time and you may be required to purchase or license additional or different software as we specify and pay us or the third party supplier fees for such software.

C. Vehicle. You must use a vehicle appropriate for your business with our branded logo/wrap. It must be in excellent or better condition, clean, dent-free, and otherwise presenting a professional appearance.

Us or our Affiliates as Supplier

We are currently the required designated provider of the following software you will use in the operation of the franchised business: Anow (record production software), LastPass (enterprise password management system), Parsehub (data aggregator), and Parserr (data extractor from emails) and Office365. Outside of this, neither we nor any affiliate is currently a supplier of any good or service that you must purchase.

Ownership of Suppliers

Outside of the requirement that you must purchase some of the operating software through us, none of our officers owns an interest in any supplier to our franchisees.

Alternative Suppliers

If you want to use a supplier that is not on our list of approved suppliers, you must request our approval in writing. We will grant or revoke approvals of suppliers based on criteria appropriate to the situation, which may include evaluations of the supplier's capacity, quality, financial stability, reputation, and reliability; inspections; product testing, and performance reviews. Our criteria for approving suppliers are not available to you. We permit you to contract

with alternative suppliers who meet our criteria only if you request our approval in writing, and we grant approval. There is no fee for us to review or approve an alternate supplier. We will provide you with written notification of the approval or disapproval of any supplier you propose within 30 days after receipt of your request. We may grant approvals of new suppliers or revoke past approvals of suppliers on written notice to you, or by updating our Manual.

Issuing Specifications and Standards

We issue specifications and standards to you for applicable aspects of the franchise in our Manual and/or in written directives. We may issue new specifications and standards for any aspect of our brand system, or modify existing specifications and standards, at any time by revising our Manual and/or issuing new written directives (which may be communicated to you by any method we choose). We will generally (but are not obligated to) issue new or revised specifications only after thorough testing in our headquarters, in company-owned businesses, and/or a limited market test in multiple franchised businesses.

Revenue to Us and Our Affiliates

We may derive revenue from the required purchases and leases by franchisees. During our last fiscal year, we received revenue of \$240 from franchisee payments of the monthly Tech Fee (as described in Item 6), which represents 2% percent of our total revenues for the year 2024 of \$11,609.04.

Proportion of Required Purchases and Leases

We estimate that the required purchases and leases to establish your business will be 50% to 80% of your total purchases and leases to establish your business.

We estimate that the required purchases and leases of goods and services to operate your business will be 50% to 80% of your total purchases and leases of goods and services to operate your business.

Payments by Designated Suppliers to Us

We may receive payments from designated suppliers based on purchases by you or other franchisees. Currently, we receive a 10% rebate from our vendor Paylocity (HRIS) based on franchisee purchases.

Purchasing or Distribution Cooperatives

No purchasing or distribution cooperative currently exists.

Negotiated Arrangements

We do negotiate purchase arrangements with suppliers, including price terms, for the benefit of franchisees. Currently, we have negotiated a 20% discount for franchisees with our vendor Paylocity. We may modify or discontinue this purchasing arrangement.

Benefits Provided to You for Purchases

We do not provide any material benefit to you based on your purchase of particular goods or services, or your use of particular suppliers.

Item 9 FRANCHISEE'S OBLIGATIONS

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

Obligation	Section in agreement	Disclosure document item
a. Site selection and acquisition/lease	§ 6.1	Item 11
b. Pre-opening purchase/leases	§§ 6.2, 6.3	Items 5, 7, 8 and 11
c. Site development and other pre-opening requirements	Article 6	Items 5, 7, 8 and 11
d. Initial and ongoing training	§§ 5.4, 6.4, 7.6	Items 5, 6, 8 and 11
e. Opening	§§ 6.5, 6.6	Items 7, 8 and 11
f. Fees	Article 4, §§ 5.5, 7.8, 8.4, 10.5, 11.2, 11.3, 14.5, 15.2, 16.1, 17.6	Items 5, 6 and 7
g. Compliance with standards and policies/operating manual	§§ 6.3, 7.1, 7.3, 7.5, 7.7, 7.9 – 7.13, 7.15, 10.1, 10.4, 11.1	Items 8, 11 and 14
h. Trademarks and proprietary information	Article 12, § 13.1	Items 13 and 14
i. Restrictions on products/services offered	§ 7.3	Items 8, 11 and 16
j. Warranty and customer service requirements	§§ 7.3, 7.8, 7.9	Item 8
k. Territorial development and sales quotas	§ 2.2	Item 12
l. Ongoing product/service purchases	Article 8	Items 6 and 8
m. Maintenance, appearance, and remodeling requirements	§§ 7.12, 7.13, 15.2	Items 6, 7 and 8
n. Insurance	§ 7.15	Items 6, 7 and 8
o. Advertising	Article 9	Items 6, 7, 8 and 11
p. Indemnification	Article 16	Items 6 and 8
q. Owner's participation/management/staffing	§ 2.4	Items 15

Obligation	Section in agreement	Disclosure document item
r. Records and reports	Article 10	Item 11
s. Inspections and audits	§§ 10.5, 11.2	Items 6 and 11
t. Transfer	Article 15	Items 6 and 17
u. Renewal	§ 3.2	Item 17
v. Post-termination obligations	Article 13, § 14.3	Item 17
w. Non-competition covenants	§ 13.2	Item 17
x. Dispute resolution	Article 17	Items 6 and 17

Item 10 FINANCING

We offer to qualifying franchisees direct financing for a portion of the initial franchise fee as follows:

If you have been an existing employee of ours for at least one year or you are an honorably discharged U.S. Military veteran you may pay your discounted initial franchise fee of \$15,000 as follows: \$7,500 paid upon signing of the Franchise Agreement and the remainder paid in 12 monthly payments of \$645.50 each, which amount includes a 6% interest rate. You will sign a promissory note in the form attached as Exhibit G.

If you are an existing certified appraiser you may pay your initial franchise fee as follows: \$12,500 paid upon signing of the Franchise Agreement, and the balance paid in 12 monthly installments of \$1,075.83 each, which amount includes a 6% interest rate. You will sign a promissory note in the form attached as Exhibit G.

We do not currently require any security interest on any loan described in this Item 10, and we do not require any additional personal guarantees (beyond the guarantee you sign upon signing the Franchise Agreement).

The debt can be prepaid at any time without penalty.

Upon default under the promissory note, we may declare the entire remaining amount due. If action is instituted to collect under the Note, you must pay all costs and expenses, including, without limitation, reasonable attorneys' fees and costs, incurred in connection with such action.

You must waive notice of default, presentment or demand for payment, protest or notice of nonpayment or dishonor and all other notices or demands relative to the promissory note.

We currently do not, and we have no intent to, sell, assign or discount to a third party any part of the financing arrangement.

We currently do not receive any consideration for placing financing with a third-party lender.

We do not guarantee your note, lease or obligations.

Item 11
FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING

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

Our Pre-Opening Obligations

Before you open your business:

A. *Your site.* You may operate the business from your home so long as it is located within your territory. We do not assist you in (i) locating your site and negotiating the purchase or lease of the site, (ii) conforming the premises to local ordinances and building codes and obtaining any required permits, or (iii) constructing, remodeling, or decorating the premises.

B. *Necessary equipment, signs, fixtures, opening inventory, and supplies.* We will provide you a list of our specifications and approved suppliers for equipment, signs, fixtures, opening inventory, and supplies necessary to open your business. (Section 5.4) We do not provide these items directly; we only provide the names of approved suppliers. We do not deliver or install these items.

C. *Brand Standards.* We will give you access to our Brand Standards Manual. (Section 5.1)

D. *Initial Training Program.* We will provide you with our initial training program. (Section 5.4). The current initial training program is described below.

E. *Business plan review.* If you request, after you sign your Franchise Agreement, we will review your pre-opening business plan and financial projections. (Section 5.4)

F. *Market introduction plan.* We will advise you regarding the planning and execution of your market introduction plan. (Section 5.4)

G. *On-site opening support.* We will have a representative provide on-site support for 2-3 days in connection with your business opening. (Section 5.4)

Length of Time to Open

The typical length of time between signing the franchise agreement and the opening of your business is 30-45 days. Factors that may affect the time period include your ability to obtain financing, obtain business permits and licenses, schedule and complete initial training, and hire employees.

Our Post-Opening Obligations

After you open your business:

A. *Advice regarding business operations.* If you request, we will provide advice to you (by telephone or electronic communication) regarding improving and developing your business, and resolving operating problems you encounter, to the extent we deem reasonable. If we provide in-person support in response to your request, we may charge any out-of-pocket expenses (such as travel, lodging, and meals for our employees providing onsite support). (Section 5.5)

B. *Establishing prices.* Upon your request, we will provide recommended prices for products and services. (Section 5.5). We have the right to require you to offer products and services at specific prices we determine if we are promoting such products and services on a national, regional, or local market basis, for the duration of the promotion (but only to the extent permitted by applicable law).

C. *Establishing and using administrative, bookkeeping, accounting, and inventory control procedures.* We will provide you our recommended procedures for business administration, bookkeeping, accounting, and inventory control. (Section 5.5). We may make any such procedures part of required (and not merely recommended) procedures for our system.

D. *Brand Fund.* We will administer the Brand Fund (Section 5.5). We will prepare an unaudited annual financial statement of the Brand Fund within 120 days of the close of our fiscal year and will provide the financial statement to you upon request. (Section 9.3)

E. *Website.* We will maintain a website for the Velox Valuations brand, which will include your business information and telephone number. (Section 5.5)

Advertising

Our obligation. We will use the Brand Fund only for marketing and related purposes and costs. Media coverage is primarily local. We use outside vendors and consultants to produce advertising. We are not required to spend any amount of advertising in the area or territory where any particular franchisee is located. We will maintain the brand website (which may be paid for by the Brand Fund). We have no other obligation to conduct advertising.

Your own advertising material. You may use your own advertising or marketing material only with our approval. To obtain our approval, you must submit to us any proposed advertising or marketing material at least 14 days prior to use. If we do not respond, the material is deemed rejected. If you develop any advertising or marketing materials, we may use those materials for any purpose, without any payment to you.

Advertising council. We currently do not have an advertising council composed of franchisees.

Brand Fund. You and all other franchisees must contribute to our Brand Fund. Your contribution is 2% of gross sales per month. As of the date of this Disclosure Document, no other franchisee contributes at a different rate. Outlets that we own are not obligated to contribute to the Brand Fund. We administer the Brand Fund. The Brand Fund is not a trust or escrow account and we do not have any fiduciary obligations with respect to the Brand Fund. The Brand Fund is not audited. We will make unaudited annual financial statements available to you upon request. We

determine the use of the monies in the Brand Fund. We are not required to spend any particular amount on marketing, advertising or promotion in the area in which your franchised business is located. We oversee the advertising programs and use the Brand Fund to create marketing materials and conduct national, regional or local advertising. We may spent the Brand Fund contributions for various purposes related to the franchise system, including, but not limited to, (1) broadcast, print or digital advertising; (2) the creation, development and production of advertising and promotional materials (i.e., print ads, digital, radio, film and television commercials, video, digital ads, direct mail pieces, and other print advertising); (3) any marketing or related research and development; (4) advertising and marketing expenses, including research and development, services provided by advertising agencies, public relations firms or other marketing, research or consulting firms or agencies; (5) the development, licensing and/or use of any tools and platforms in connection with marketing, advertising and promotional activities; and (6) expenses, administrative costs and overhead we may incur in activities related to maintaining, administering, directing, and conducting the Brand Fund and its programs, including compensation to employees or any other individual or entity providing services to the Brand Fund. If we terminate the Brand Fund, we will refund to you your pro-rata portion of any amounts remaining in the Brand Fund, based on your contributions to the Brand Fund.

Because we are a new franchisor, we did not spend any money from the Brand Fund in our most recently concluded fiscal year.

If less than all Brand Fund moneys are spent in the fiscal year in which they accrue, the money will remain in the Brand Fund to be spent in the next year.

No money from the Brand Fund is spent principally to solicit new franchise sales.

Market introduction plan. You must develop a market introduction plan and obtain our approval of the plan at least 30 days before the projected opening date of your business.

Required spending. After you open, you must spend at least 1% of gross sales each month on marketing your business.

Advertising cooperatives. You are not required to participate in any local or regional advertising cooperatives.

Computer Systems

We require you to purchase computer systems and software as follows:

Software	Cost	Per Year/Month
Anow	Included in Tech Fee	month
LastPass	Included in Tech Fee	month
Parsehub	Included in Tech Fee	month
Parserr	Included in Tech Fee	month
Office 365	Included in Tech Fee	month

Software	Cost	Per Year/Month
approved CRM Software (client management system software)	\$50 to \$150	month
QuickBooks	\$200	month
Alamode Total (appraisal form software)	\$700	year
Spark or DataMaster (data analysis software)	\$70	month
MLS (Multiple Listing Service/market data software)	\$750	year

The Tech Fee of \$120 Per Month includes the following software licenses:

- Anow – production Software, single point of record
- LastPass – Enterprise password management system
- Parsehub – Data Aggregator
- Parserr – extracts data from emails
- Office365

Your system must also include an approved CRM system, credit card processing system (currently Stripe), and accounting platform (currently the required platform is QuickBooks). These systems will generate or store data such as inventory/product details, sales transactions, client, employee, scheduling, reporting, and accounting information.

We estimate that these systems will cost between \$3,000 and \$4,000 to purchase.

We are not obligated to provide any ongoing maintenance, repairs, upgrades, or updates. We do require you enter into such contract(s) with a third party for the above platforms/system.

You must upgrade or update any system when we determine. There is no contractual limit on the frequency or cost of this obligation.

We estimate that the annual cost of any optional or required maintenance, updating, upgrading, or support contracts will be \$4,800 to \$6,000 which includes the software license costs for the year.

You must give us independent access to the information that will be generated or stored in these systems. The information that we may access will include sales, customer data, and reports. There is no contractual limitation on our right to access the information. All customer data you collect or provide on your computer system, whether or not uploaded to our system from your system, and/or downloaded from your system to our system is and will be owned exclusively by us, and we will have the right to use such data in any manner that we deem appropriate without compensation to you.

Brand Standards Manual

See Exhibit E for the table of contents of our Brand Standards Manual as of the date of this disclosure document, with the number of pages devoted to each subject. The Manual has 203 pages.

Training Program

Our training program consists of the following:

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Intro to the Business Model	2	-	Headquarters in Greenwood, Indiana (“HQ”) or video conference
Operations	18	-	HQ or video conference
Financial Management	8	-	HQ or video conference
Compliance & Legal	4	-	HQ or video conference
Technology Services	8	-	HQ or video conference
Best Practices	2	-	HQ or video conference
Business Strategy & Planning	8		HQ
Sales/Ops Training/Best Practices	-	16	Your Location
TOTALS:	50	16	

Training classes will be scheduled in accordance with the needs of new franchisees. We anticipate holding training classes three to six times per year. Training will be held at our offices and business location in Greenwood, Indiana. We may vary the length and content of the initial training program based on the experience and skill level of any individual attending the initial training program.

The instructional materials consist of the Brand Standards Manual and other materials, lectures, discussions, and on-the-job demonstration and practice.

Training classes will be led by Jason Barile (who will lead the training on QuickBooks and finance management, and who has over 10 years of experience in the field, over 4 years of that with us and our affiliate), Chad Barker (who will lead the training on sales, business strategy & intelligence and reporting, and who has over 25 years of experience in the field, and over 4 years of that with us and our affiliate), Paul Bradley (who will lead the training on HR matters and Paylocity, and who has 30 years of experience in the field, and over 4 years of that with us and our

affiliate), and Steven Rud (who will lead the training on operations, and who has over 10 years of experience in the field, and over 4 years of that with us and our affiliate).

There is no fee for up to 3 people to attend training. You must pay the travel and living expenses of people attending training.

You must attend training. You may send any additional people to training that you want (up to the maximum described above). You must complete training to our satisfaction (by passing a final exam at the end of the training program) at least four weeks before opening your business.

We will also provide you with ongoing monthly support calls (via videoconference). We do not currently require any other additional training programs or refresher courses, but we have the right to do so.

If you wish to have more than 3 trainees attend our training program, or you send a trainee to our training program after opening (including a replacement manager), we may charge you our then-current additional training fee (currently \$450/day, subject to increase by no more than 20% in any year), but we may offer virtual training at no fee or a lower fee.

Item 12 TERRITORY

Your Location

We anticipate that you will manage your franchised business from your home or from a small office setting. Your primary office must be located in your territory.

Grant of Territory

Your franchise agreement will specify a territory, which will be based on specific market characteristics. The boundaries of your territory will be specified by population size, a radius around your location, zip codes, county or city lines, or some other limit. A typical territory may include 750,000 to 1,000,000 in population, although we may grant a smaller or a larger territory depending on the particular market, including applicable county and/or city boundaries.

Relocation; Establishment of Additional Outlets

You may relocate your business headquarters anywhere in your territory.

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

If you desire to establish an additional franchised business, you must first (1) meet our then-current criteria for multi-unit franchisees, (2) be in compliance with your existing franchise agreement at all times since opening your business, (3) have demonstrated your capability to operate a multi-territory franchise successfully, and (4) obtain our consent.

Territorial Rights

You cannot solicit or market to potential customers outside of your territory, except for solicitations or marketing which are primarily targeted inside the territory and which incidentally reach potential customers outside of the territory. You cannot serve customers outside of your territory without our prior written permission, unless you comply with our then-current territory policy. You may not use other channels of distribution, such as the Internet, catalog sales, telemarketing or other direct marketing, to make sales outside of the territory without our prior written consent. We may withdraw permission for you to serve customers outside of your territory at any time.

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

However, provided that you are in full compliance with your Franchise Agreement, during the term of your Franchise Agreement, we will not operate or grant a franchise for the operation of another Velox Valuations business located in your territory or that has rights to market or solicit customers in your territory, subject to our reservation of rights below.

Our Reservation of Rights

Except as stated under “Territorial Rights” section immediately above, we and our affiliates may engage in any activity whatsoever on any terms and conditions we deem advisable whenever and wherever we desire. We and our affiliates retain all rights whatsoever not expressly granted to you above, including, but not limited to the right to:

- (i) serve or authorize other franchisees to serve customers anywhere, including in your territory;
- (ii) establish and license others to establish and operate Velox Valuations businesses outside your territory;
- (iii) operate and license others to operate businesses anywhere that do not operate under our Marks;
- (iv) sell and license others to sell Velox Valuations products and services to customers in your territory through other channels of distribution (including the internet) so long as such products and services are not provided through a Velox Valuations outlet located in the territory;
- (v) solicit and sell to National Accounts which may have locations or representation in your territory. In the cases where we or an affiliate are selling to National Accounts, you will have rights to the business located in the territory which is derived from the National Accounts; however, we may designate or authorize a corporate employee, another franchisee or any other third party to perform or assist you in performing the services within the territory, without compensation to you for same, if you refuse or, in our judgment, are not qualified, interested, able or available to perform the services for any National Account customer in the territory; if you

request assistance; or if a customer, orally or in writing, specifically requests services in the territory from a different franchisee or any other third party. If you agree to participate in or service National Accounts, you must do so on the terms we specify, which terms may include, but may not be limited to, the provision of certain insurance, equipment, products and services, and the offer of services at prices not to exceed the maximum prices specified; and

(vi) merge with, acquire or become acquired by (“Merger/Acquisition Activity”) any businesses, including competitive businesses, which businesses operate under trademarks other than the Velox Valuations trademarks and may offer or sell products and services that are the same as or similar to the products and services offered at or from the franchised business, and which may be located anywhere inside or outside the territory.

You will not be paid any compensation if we (or another franchisee) accept orders from inside the territory pursuant to our Reservation of Rights described above.

We may set policies binding on all franchisees regarding soliciting, marketing, and serving customers in another franchisee’s territory, and we may waive or modify such policies in any circumstance as we determine. If you serve a customer outside of the Territory without our prior written permission or in violation of our then-current territory policy, we may impose a fee equal to the greater of (i) \$500 or (ii) 75% of the amount paid by such customer to you. This fee is a reasonable estimate of our internal cost of personnel time attributable to addressing your breach, and it is not a penalty or estimate of all damages arising from your breach. This fee is in addition to all of our other rights and remedies.

We may set policies regarding referral fees (and related terms and conditions) applicable to a franchisee when it is referred a customer by another franchisee. We may waive or modify such policies in any circumstance as we determine. See also Item 6.


Competition by Us Under Different Trademarks

Neither we nor any of our affiliates operates, franchises, or has plans to operate or franchise a business under a different trademark selling goods or services similar to those you will offer. However, the franchise agreement does not prohibit us from doing so.

Item 13 TRADEMARKS

Principal Trademark

The following is the principal trademark that we license to you. This trademark is owned by our affiliate, Velox Valuations, LLC and is registered on the Principal Register of the U.S. Patent and Trademark Office. Velox Valuations, LLC has filed or intends to file all required affidavits and renewals for the trademark listed below.

Trademark	Registration Date	Identification Number
	January 7, 2025	7,642,448

Determinations

There are no currently effective material determinations of the United States Patent and Trademark Office, the Trademark Trial and Appeal Board, or any state trademark administrator or court. There are no pending infringement, opposition, or cancellation proceedings.

Litigation

There is no pending material federal or state court litigation regarding our use or ownership rights in a trademark.

Agreements

Velox Valuations, LLC, our affiliate, owns the trademark described in this Item. Under an Intercompany License Agreement between us and Velox Valuations, LLC, we have been granted the exclusive right to sublicense the trademarks to franchisees throughout the United States. The agreement is of perpetual duration. It may be modified only by mutual consent of the parties. It may be canceled by our affiliate only if (1) we materially misuse the trademarks and fail to correct the misuse, or (2) we discontinue commercial use of the trademarks for a continuous period of more than one year. The Intercompany License Agreement specifies that if it is ever terminated, your franchise rights will remain unaffected.

Protection of Rights

We protect your right to use the principal trademarks listed in this Item, and we protect you against claims of infringement or unfair competition arising out of your use of the trademarks, to the extent described below in this Item 13.

The franchise agreement obligates you to notify us of the use of, or claims of rights to, a trademark identical to or confusingly similar to a trademark licensed to you. The franchise agreement does not require us to take affirmative action when notified of these uses or claims. We have the right to control any administrative proceedings or litigation involving a trademark licensed by us to you.

If you use our trademarks in accordance with the franchise agreement, then (i) we will defend you (at our expense) against any legal action by a third party alleging infringement by your use of the trademark, and (ii) we will indemnify you for expenses and damages if the legal action is resolved unfavorably to you.

Under the franchise agreement, we may require you to modify or discontinue using a trademark, at your expense.

Superior Prior Rights and Infringing Uses

We do not know of either superior prior rights or infringing uses that could materially affect your use of the principal trademarks.

Item 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Patents

We do not own rights in, or licenses to, patents that are material to the franchise. We do not have any pending patent applications.

Copyrights

All of our original works of authorship fixed in a tangible medium of expression are automatically protected under the U.S. Copyright Act, whether or not we have obtained registrations. This includes our Brand Standards Manual as well as all other sales, training, management and other materials that we have created or will create. You may use these copyrighted materials during the term of the franchise, in a manner consistent with our ownership rights, solely in the operation of your franchised business.

We do not have any registered copyrights. There are no pending copyright applications for our copyrighted materials. There are no currently effective determinations of the U.S. Copyright Office (Library of Congress) or any court regarding any copyright.

There are no agreements currently in effect that limit our right to use or license the use of our copyrighted materials.

We have no obligation to protect any of our copyrights or to defend you against claims arising from your use of copyrighted items. The franchise agreement does not require us to take affirmative action when notified of copyright infringement. We control any copyright litigation. We are not required to participate in the defense of a franchisee or indemnify a franchisee for expenses or damages in a proceeding involving a copyright licensed to the franchisee. We may require you to modify or discontinue using the subject matter covered by any of our copyrights, at your expense.

We do not know of any copyright infringement that could materially affect you.

Proprietary Information

We have a proprietary, confidential Brand Standards Manual and related materials that include guidelines, standards and policies for the development and operation of your franchised business. We also claim proprietary rights in other confidential information or trade secrets that include all methods for developing and operating the franchised business, and all non-public plans,

data, financial information, processes, vendor pricing, supply systems, marketing systems, formulas, techniques, designs, layouts, operating procedures, customer data, information and know-how.

You (and your owners, if the franchise is owned by an entity) must protect the confidentiality of our Brand Standards Manual and other proprietary information, and you must use our confidential information only for your franchised business. We may require your managers and key employees to sign confidentiality agreements.

Item 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

Your Participation

You are required to participate personally in the direct operation of your business and must devote substantial time and attention to the business.

If you are the sole owner of the business, then you are deemed the “Principal Executive”. If the business is owned through a corporation or limited liability company, you must designate one person as your “Principal Executive”. The Principal Executive is the executive primarily responsible for your business and has decision-making authority on behalf of the business. The Principal Executive must own at least 10% of the business. The Principal Executive must complete our initial training program. The Principal Executive must complete any post-opening training programs that we develop in the future. The Principal Executive must make reasonable efforts to attend all in-person meetings and remote meetings (such as telephone conference calls), including regional or national brand conferences, that we require. The Principal Executive cannot fail to attend more than three consecutive required meetings.

If your business is owned by an entity, all owners of the business must sign our Guaranty and Non-Compete Agreement (see Attachment 2 to Exhibit B).

“On-Premises” Supervision

When your business performs services for a customer, you are not required to personally conduct “on-premises” supervision of your business. However, we recommend on-premises supervision by you.

There is no limit on who you can hire as an on-premises supervisor. The general manager of your business (whether that is you or a hired person) must successfully complete our training program.

If the franchise business is owned by an entity, we do not require that the general manager own any equity in the entity.

Restrictions on Your Manager

If we request, you must have your general manager sign a confidentiality and non-compete agreement. We do not require you to place any other restrictions on your manager.

Item 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer for sale only goods and services that we have approved.

You must offer for sale all goods and services that we require. We have the right to change the types of authorized goods or services, and there are no limits on our right to make changes.

We do not restrict your access to customers, except that all sales must be made to customers in your territory.

Item 17

RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

Provision	Section in franchise or other agreement	Summary
a. Length of the franchise term	§ 3.1	10 years from date of franchise agreement.
b. Renewal or extension of the term	§ 3.2	You may obtain a successor franchise agreement for up to 2 additional 5-year terms.
c. Requirements for franchisee to renew or extend	§ 3.2	<p>For our franchise system, “renewal” means that at the end of your term, you sign our successor franchise agreement for an additional 5-year term. You may be asked to sign a contract with materially different terms and conditions than your original contract.</p> <p>To renew, you must give advance notice to us; be in compliance with all contractual obligations to us and third parties; conform your business to then-current standards for new franchisees; sign then-current form of franchise agreement and related documents (including personal guaranty); sign general</p>

Provision	Section in franchise or other agreement	Summary
		release (unless prohibited by applicable law). If you continue operating your franchise after the expiration of the term without a renewal agreement, then we may treat the Agreement as expired with you illegally operating a franchise in violation of our rights, or continued on a month to month basis until both parties enter into a renewal agreement or one party provides a notice of termination.
d. Termination by franchisee	§ 14.1	If we violate a material provision of the franchise agreement and fail to cure or to make substantial progress toward curing the violation within 30 days after notice from you.
e. Termination by franchisor without cause	Not Applicable	
f. Termination by franchisor with cause	§ 14.2	We may terminate your franchise agreement for cause, subject to any applicable notice and cure opportunity.
g. "Cause" defined--curable defaults	§ 14.2	Non-payment by you (10 days to cure); violate franchise agreement other than non-curable default (30 days to cure).
h. "Cause" defined--non-curable defaults	§ 14.2	Misrepresentation when applying to be a franchisee; knowingly submitting false information; bankruptcy; violation of law; violation of confidentiality; violation of non-compete; violation of transfer restrictions; slander or libel of us; refusal to cooperate with our audit or evaluation; cease operations for more than 15 consecutive days; three defaults in 12 months; cross-termination; charge or conviction of, or plea to, a felony, commit or be accused of an act that is reasonably likely to materially and unfavorably affect our brand; any other breach of franchise agreement which by its nature cannot be cured.

Provision	Section in franchise or other agreement	Summary
i. Franchisee's obligations on termination/non-renewal	§§ 14.3 – 14.6	Pay all amounts due; return Manual and proprietary items; notify phone, internet, and other providers and transfer service; cease doing business; remove identification; purchase option by us.
j. Assignment of agreement by franchisor	§ 15.1	Unlimited
k. "Transfer" by franchisee - defined	Article 1	For you (or any owner of your business) to voluntarily or involuntarily transfer, sell, or dispose of, in any single or series of transactions, (i) substantially all of the assets of the business, (ii) the franchise agreement, (iii) any direct or indirect ownership interest in the business, or (iv) control of the business.
l. Franchisor's approval of transfer by franchisee	§ 15.2	No transfers without our approval.
m. Conditions for franchisor's approval of transfer	§ 15.2	Pay transfer fee; buyer meets our standards; buyer is not a competitor of ours; buyer and its owners sign our then-current franchise agreement and related documents (including personal guaranty); you've made all payments to us and are in compliance with all contractual requirements; buyer completes training program; you sign a general release; business complies with then-current system specifications.
n. Franchisor's right of first refusal to acquire franchisee's business	§ 15.5	If you want to transfer your business (other than to your co-owner or to your spouse, sibling, or child), we have a right of first refusal.
o. Franchisor's option to purchase franchisee's business	Not Applicable	
p. Death or disability of franchisee	§§ 2.4, 15.4	If you die or become incapacitated, a new principal executive acceptable to us must be designated to operate the business, and your executor must transfer the business to an approved new owner within nine months.

Provision	Section in franchise or other agreement	Summary
q. Non-competition covenants during the term of the franchise	§ 13.2	Neither you, any owner of the business, or any spouse of an owner may have ownership interest in, lend money or provide financial assistance to, provide services to, or be employed by, any competitor.
r. Non-competition covenants after the franchise is terminated or expires	§ 13.2	For two years, neither you, any owner of the business, or any spouse of an owner may have ownership interest in, lend money or provide financial assistance to, provide services to, or be employed by a competitor operating in your former territory or the territory of any other Velox Valuations business operating on the date of termination.
s. Modification of the agreement	§ 18.4	No modification or amendment of the franchise agreement will be effective unless it is in writing and signed by both parties. This provision does not limit our right to modify the Manual or system specifications.
t. Integration/merger clause	§ 18.3	Only the terms of the franchise agreement and other written agreements are binding (subject to state law). Any representations or promises outside of the disclosure document and franchise agreement may not be enforceable. Nothing in this or in any related agreement, however, is intended to disclaim the representations we made in the franchise disclosure document that we furnished to you.
u. Dispute resolution by arbitration or mediation	§ 17.1	All disputes are resolved by arbitration (except for injunctive relief) (subject to applicable state law).
v. Choice of forum	§§ 17.1; 17.5	Arbitration will take place where our headquarters is located (currently, Greenwood, Indiana) (subject to applicable state law). Any legal proceedings not subject to arbitration will take place in the District Court of the United States, in the district where our headquarters is then

Provision	Section in franchise or other agreement	Summary
		located, or if this court lacks jurisdiction, the state courts of the state and county where our headquarters is then located (subject to applicable state law).
w. Choice of law	§ 18.8	Indiana (subject to applicable state law)

For additional disclosures required by certain states, refer to Exhibit G - State Addenda to Disclosure Document and Franchise Agreement.

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.

The following financial performance representations are based on the performance of the 41 Velox Valuations businesses (the “Reporting Company Outlets”) operated by our Affiliate, Velox Valuations LLC from 01/01/2024 through 12/31/2024 (the “Reporting Period”). These Reporting Company Outlets were all in operation for the entire Reporting Period and they represent all of the company-owned outlets in 2024. These Reporting Company Outlets are located in markets around the United States and have been in operation for one to four years.

Number of Appraisals per Reporting Company Outlet during Reporting Period

Number of Reporting Company Outlets	Average Number of Appraisals per Reporting Company Outlet	Median Number of Appraisals per Reporting Company Outlet	Number (and percentage) of Reporting Company Outlets that Achieved at least the Average	Highest Number of Appraisals per Reporting Company Outlet	Lowest Number of Appraisals per Reporting Company Outlet
41	334	299	21/ 53%	759	186

Gross Sales per Appraisal during the Reporting Period

Number of Reporting Company Outlets	Average Gross Sales per Appraisal	Median Gross Sales per Appraisal	Highest Gross Sales per Appraisal	Lowest Gross Sales per Appraisal	Number (and percentage) of Reporting Company Outlets that achieved at least the Average
41	\$431	\$428.9	\$493	\$394	19/ 48%

Gross Sales per Reporting Company Outlet for the Reporting Period

Number of Reporting Company Outlets	Average Gross Sales per Reporting Company Outlet	Median Gross Sales per Reporting Company Outlet	Highest Gross Sales per Reporting Company Outlet	Lowest Gross Sales per Reporting Company Outlet	Number (and percentage) of Reporting Company Outlets that achieved at least the Average
41	\$137,831	\$127,195	\$308,996	\$74,437	21/ 53%

Estimated Royalty Fees and Estimated Brand Fund Fees per Reporting Company Outlet:

Estimated Fees per Reporting Company Outlet	Based on Average Gross Sales	Based on Median Gross Sales	Based on Highest and Lowest Gross Sales
Estimated Royalty Fees	\$13,783	\$12,720	\$30,900 - \$7,444
Estimated Brand Fund Fees	\$2,757	\$2,543	\$6,180 - \$1,489

*See Note 7

Notes:

- As used in this Item 19, "Gross Sales" means the total dollar amount of all sales generated through the Business for a given period, including, but not limited to, payment for any services or products sold by Franchisee, whether for cash or credit. Gross Sales does not include (i) bona fide refunds to customers, (ii) sales taxes collected by Franchisee, (iii) sales of used equipment not in the ordinary course of business, or (iv) sales of prepaid cards

or similar products (but the redemption of any such card or product will be included in Gross Sales).

As used in this Item 19, an “Appraisal” means one property or land valuation job performed by the Reporting Company Outlet for a customer.

2. The Average Number of Appraisals per Reporting Company Outlet was calculated as the total number of Appraisals performed by all Reporting Company Outlets during the Reporting Period divided by the total number of Reporting Company Outlets.
3. The Average Gross Sales per Appraisal was calculated as the total Gross Sales of all Reporting Company Outlets divided by the total number of Appraisals performed by the Reporting Company Outlets.
4. The Average Gross Sales per Reporting Company Outlet was calculated as the total Gross Sales generated by all Reporting Company Outlets divided by the total number of Reporting Company Outlets.
5. The foregoing data are historic financial performance representations.
6. There are no operating expenses included in this Item 19, which you would need to account for in order to understand net income for the franchised business.
7. These Reporting Company Outlets do not differ materially in any way from future Velox Valuations franchised businesses, except that our Parent does not pay royalties or marketing fees to us; however, we have shown the estimated expenditures (10% Royalty, and 2% Brand Fund) for a Reporting Company Outlet had they incurred those expenses. There are no other material and/or operational characteristics of the Reporting Company Outlets that are reasonably anticipated to differ materially from future operational franchise outlets.
8. **Some outlets have sold this amount. Your individual results may differ. There is no assurance that you’ll sell as much.**
9. Written substantiation of the information contained in this Item 19 will be made available to prospective franchisees upon reasonable request.

Other than the preceding financial performance representation, Franchise Velox Valuations LLC does 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 Paul Bradley, 704 South State Road 135, STE D 393, Greenwood, IN 46143, and (317) 372-8682, the Federal Trade Commission, and the appropriate state regulatory agencies.

Item 20
OUTLETS AND FRANCHISEE INFORMATION

Table 1
Systemwide Outlet Summary
For Years 2022 to 2024

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised	2022	0	0	0
	2023	0	0	0
	2024	0	1	+1
Company-Owned	2022	33	39	+6
	2023	39	41	+2
	2024	41	41	0
Total Outlets	2022	33	39	+6
	2023	39	41	+2
	2024	41	42	+1

Table 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For Years 2022 to 2024

Column 1 State	Column 2 Year	Column 3 Number of Transfers
All States	2022	0
	2023	0
	2024	0
Total	2022	0
	2023	0
	2024	0

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Table 3
Status of Franchised Outlets
For Years 2022 to 2024

Column 1 State	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets Opened	Column 5 Termi- Nations	Column 6 Non- Renewals	Column 7 Reacquired by Franchisor	Column 8 Ceased Operations – Other Reasons	Column 9 Outlets at End of the Year
Texas	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
Totals	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1

Table 4
Status of Company-Owned Outlets
For Years 2022 to 2024

Column 1 State	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets Opened	Column 5 Outlets Reacquired from Franchisee	Column 6 Outlets Closed	Column 7 Outlets Sold to Franchisee	Column 8 Outlets at End of the Year
Arizona	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
California	2022	5	0	0	0	0	5
	2023	5	0	0	1	0	4
	2024	4	0	0	0	0	4
Colorado	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
Connecticut	2022	0	1	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	1	0	0

Column 1 State	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets Opened	Column 5 Outlets Reacquired from Franchisee	Column 6 Outlets Closed	Column 7 Outlets Sold to Franchisee	Column 8 Outlets at End of the Year
Florida	2022	5	0	0	0	0	5
	2023	5	1	0	0	0	6
	2024	6	0	0	0	0	6
Georgia	2022	1	1	0	0	0	2
	2023	2	0	0	0	0	2
	2024	2	0	0	0	0	2
Illinois	2022	1	0	0	1	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
Indiana	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
Kansas	2022	0	1	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
Maryland	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
Massachusetts	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
Michigan	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
Minnesota	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
Missouri	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1

Column 1 State	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets Opened	Column 5 Outlets Reacquired from Franchisee	Column 6 Outlets Closed	Column 7 Outlets Sold to Franchisee	Column 8 Outlets at End of the Year
Nevada	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
New Jersey	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
New York	2022	3	0	0	0	0	3
	2023	3	0	0	0	0	3
	2024	3	0	0	0	0	3
North Carolina	2022	1	0	0	0	0	1
	2023	1	1	0	0	0	2
	2024	2	0	0	0	0	2
Ohio	2022	2	1	0	0	0	3
	2023	3	0	0	0	0	3
	2024	3	0	0	0	0	3
Oregon	2022	0	1	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
Pennsylvania	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
South Carolina	2022	0	0	0	0	0	0
	2023	0	1	0	0	0	1
	2024	1	0	0	0	0	1
Tennessee	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
Texas	2022	1	2	0	0	0	3
	2023	3	0	0	0	0	3
	2024	3	1	0	0	0	4

Column 1 State	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets Opened	Column 5 Outlets Reacquired from Franchisee	Column 6 Outlets Closed	Column 7 Outlets Sold to Franchisee	Column 8 Outlets at End of the Year
Virginia	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
Washington	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
Totals	2022	33	7	0	1	0	39
	2023	39	3	0	1	0	41
	2024	41	1	0	1	0	41

Table 5
Projected Openings for 2025 As Of December 31, 2024

Column 1 State	Column 2 Franchise Agreements Signed but Outlet Not Opened	Column 3 Projected New Franchised Outlets in the Next Fiscal Year	Column 4 Projected New Company- Owned Outlets in the Next Fiscal Year
California	0	2	0
Florida	0	2	0
Georgia	0	1	0
Kansas	0	1	0
Totals	0	6	0

Current Franchisees

Exhibit F contains the names of all current franchisees (as of the end of our last fiscal year) and the address and telephone number of each of their outlets.

Former Franchisees

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

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

Confidentiality Clauses

In the last three fiscal years, no franchisees have signed any contract, order, or settlement provision that directly or indirectly restricts a current or former franchisee from discussing his or her personal experience as a franchisee in our system with any prospective franchisee.

Franchisee Organizations

There are no trademark-specific franchisee organizations associated with our franchise system.

Item 21 FINANCIAL STATEMENTS

Exhibit D contains our audited financial statements as of December 31, 2024. Because we were formed in April 2024, we have not been in business for three years or more, and therefore cannot include all financial statements required by the Franchise Rule of the Federal Trade Commission.

Our fiscal year end is December 31.

Item 22 CONTRACTS

Copies of all proposed agreements regarding this franchise offering are attached as the following Exhibits:

- B. Franchise Agreement (with attachments: Ownership Information; Guaranty and Non-Compete Agreement; Acknowledgement Addendum)
- C. Form of General Release
- G. Form of Promissory Note
- H. State Addenda to Disclosure Document and Franchise Agreement

Item 23 RECEIPTS

Detachable documents acknowledging your receipt of this disclosure document are attached as the last two pages of this disclosure document.

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EXHIBIT A

STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

We may register this Disclosure Document in some or all of the following states in accordance with the applicable state law. If and when we pursue franchise registration, or otherwise comply with the franchise investment laws, in these states, the following are the state administrators responsible for the review, registration, and oversight of franchises in each state and the state offices or officials that we will designate as our agents for service of process in those states:

State	State Administrator	Agent for Service of Process (if different from State Administrator)
California	Commissioner Department of Financial Protection and Innovation 2101 Arena Blvd. Sacramento, CA 95834 866-275-2677	
Hawaii	Department of Commerce and Consumer Affairs Business Registration Division Commissioner of Securities P.O. Box 40 Honolulu, HI 96810 (808) 586-2722	Commissioner of Securities Department of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, HI 96813
Illinois	Franchise Bureau Office of Attorney General 500 South Second Street Springfield, IL 62706 (217) 782-4465	
Indiana	Franchise Section Indiana Securities Division Secretary of State Room E-111 302 W. Washington Street Indianapolis, IN 46204 (317) 232-6681	
Maryland	Office of the Attorney General Division of Securities 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360	Maryland Commissioner of Securities 200 St. Paul Place Baltimore, MD 21202-2020
Michigan	Michigan Attorney General's Office Consumer Protection Division Attn: Franchise Section 525 W. Ottawa Street Williams Building, 1 st Floor Lansing, MI 48933 (517) 373-7117	

State	State Administrator	Agent for Service of Process (if different from State Administrator)
Minnesota	Minnesota Department of Commerce Securities-Franchise Registration 85 7 th Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1500	Commissioner of Commerce Minnesota Department of Commerce 85 7 th Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1500
New York	New York State Department of Law Investor Protection Bureau 28 Liberty St. 21 st Floor New York, NY 10005 212-416-8236	Secretary of State 99 Washington Avenue Albany, NY 12231
North Dakota	North Dakota Securities Department 600 East Boulevard Ave., State Capital Fifth Floor, Dept. 414 Bismarck, ND 58505-0510 (701) 328-4712	
Oregon	Department of Consumer & Business Services Division of Finance and Corporate Securities Labor and Industries Building Salem, Oregon 97310 (503) 378-4140	
Rhode Island	Department of Business Regulation Securities Division 1511 Pontiac Avenue John O. Pastore Complex-69-1 Cranston, RI 02920-4407 (401) 462-9527	
South Dakota	Division of Insurance 124 South Euclid Suite 104 Pierre, SD 57501-3185 (605) 773-3563	
Virginia	State Corporation Commission 1300 East Main Street 9 th Floor Richmond, VA 23219 (804) 371-9051	Clerk of the State Corporation Commission 1300 East Main Street, 1 st Floor Richmond, VA 23219
Washington	Department of Financial Institutions Securities Division P.O. Box 41200 Olympia, WA 98504-1200 (360) 902-8760	Department of Financial Institutions Securities Division 150 Israel Rd SW Tumwater, WA 98501 (360) 902-8760
Wisconsin	Division of Securities Department of Financial Institutions Post Office Box 1768 Madison, WI 53701 (608) 266-2801	Securities and Franchise Registration Wisconsin Securities Commission 201 West Washington Avenue, Suite 300 Madison, WI 53703

EXHIBIT B

FRANCHISE AGREEMENT



FRANCHISE AGREEMENT

SUMMARY PAGE

1. **Franchisee's Name:** _____
2. **Initial Franchise Fee:** \$ _____
3. **Business Location:** _____
4. **Territory:** _____
5. **Opening Deadline:** _____
6. **Principal Executive:** _____
7. **Franchisee's Address:** _____
8. **Tech Fee:** \$120/month (subject to an increase by up to 20% in any year in addition to increases due to additional/different software), for which Franchisee will receive access to certain software (currently: Anow, LastPass, Parsehub, Parserr and Office365).

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ATTACHMENTS:

1. Ownership Information
2. Guaranty and Non-Compete Agreement
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FRANCHISE AGREEMENT

This Agreement is made by and between Franchise Velox Valuations LLC, an Indiana limited liability company (“Franchisor”), and Franchisee, effective as of the date signed by Franchisor (the “Effective Date”).

Background Statement:

A. Franchisor and its affiliate Velox Valuations LLC have created and own a system (the “System”) for developing and operating businesses offering real estate appraisals and other valuation services to a diverse client base, including but not limited to, lenders, attorneys, appraisal management companies and private homeowners, under the trade name “Velox Valuations”.

B. The System includes (1) methods, procedures, and standards for developing and operating a Velox Valuations business, (2) particular products and services, (3) the Marks, (4) training programs, (5) business knowledge, (6) marketing plans and concepts, and (7) other mandatory or optional elements as determined by Franchisor from time to time.

C. The parties desire that Franchisor license the Marks and the System to Franchisee for Franchisee to develop and operate a Velox Valuations business on the terms and conditions of this Agreement.

ARTICLE 1. DEFINITIONS

As used in this Agreement, the following terms have the following meaning:

“**Action**” means any action, suit, proceeding, claim, demand, governmental investigation, governmental inquiry, judgment or appeal thereof, whether formal or informal.

“**Approved Vendor**” means a supplier, vendor, or distributor of Inputs which has been approved by Franchisor.

“**Brand Fund**” means the fund established (or which may be established) by Franchisor into which Brand Fund Contributions are deposited.

“**Business**” means the Velox Valuations business owned by Franchisee and operated under this Agreement.

“**Competitor**” means any business which offers products or services the same or similar as the franchise brand.

“**Confidential Information**” means all non-public information of or about the System, Franchisor, and any Velox Valuations business, including all methods for developing and operating the Business, and all non-public plans, data, financial information, processes, vendor pricing, supply systems, marketing systems, formulas, techniques, designs, layouts, operating procedures, customer data, information and know-how.

“Gross Sales” means the total dollar amount of all sales generated through the Business for a given period, including, but not limited to, payment for any services or products sold by Franchisee, whether for cash or credit. Gross Sales does not include (i) bona fide refunds to customers, (ii) sales taxes collected by Franchisee, (iii) sales of used equipment not in the ordinary course of business, or (iv) sales of prepaid cards or similar products (but the redemption of any such card or product will be included in Gross Sales).

“Input” means any goods, services, supplies, fixtures, equipment, inventory, computer hardware and software, real estate, or comparable items related to establishing or operating the Business.

“Location” means the location stated on the Summary Page.

“Losses” includes (but is not limited to) all losses; damages; fines; charges; expenses; lost profits; reasonable attorneys’ fees; travel expenses, expert witness fees; court costs; settlement amounts; judgments; loss of Franchisor’s reputation and goodwill; costs of or resulting from delays; financing; costs of advertising material and media time/space and the costs of changing, substituting or replacing the same; and any and all expenses of recall, refunds, compensation, public notices and other such amounts incurred in connection with the matters described.

“Manual” means Franchisor’s confidential Brand Standards Manual(s), including any supplements, additions, or revisions from time to time, which may be in any form or media.

“Marks” means the trade name and logo contained on the Summary Page, and all other trade names, trademarks, service marks and logos specified by Franchisor from time to time for use in a Velox Valuations business.

“National Account” means a customer that conducts business in one or more markets, such as a bank that writes mortgages in more than one geographic market.

“Owner” means each person or entity which directly or indirectly owns or controls any equity of Franchisee. If Franchisee is an individual person, then “Owner” means Franchisee.

“Required Vendor” means a supplier, vendor, or distributor of Inputs which Franchisor requires franchisees to use.

“System Standards” means, as of any given time, the then-current mandatory procedures, requirements, and/or standards of the System as determined by Franchisor, which may include without limitation, any procedures, requirements and/or standards for appearance, business metrics, cleanliness, customer service, design, equipment, inventory, marketing and public relations, operating days, operating hours, presentation of Marks, product and service offerings, quality of products and services (including any guaranty and warranty programs), reporting, safety, technology (such as computers, computer peripheral equipment, smartphones, point-of-sale systems, back-office systems, information management systems, security systems, video monitors, other software, backup and archiving systems, communications systems (including email, audio, and video systems), payment acceptance systems, and internet access, as well as upgrades, supplements, and modifications thereto), uniforms, and vehicles.

“Territory” means the territory stated on the Summary Page.

“**Transfer**” means for Franchisee (or any Owner) to voluntarily or involuntarily transfer, sell, or dispose of, in any single or series of transactions, (i) substantially all of the assets of the Business, (ii) this Agreement, (iii) any direct or indirect ownership interest in the Business, or (iv) control of the Business.

ARTICLE 2. GRANT OF LICENSE

2.1 Grant. Franchisor grants to Franchisee the right to operate a Velox Valuations business in the Territory. Franchisee shall develop, open and operate a Velox Valuations business in the Territory for the entire term of this Agreement.

2.2 Territorial Rights and Restrictions.

(a) Marketing and Solicitation. Franchisee shall not solicit or market to potential customers outside of the Territory, except for solicitations or marketing which are primarily targeted inside the Territory and which incidentally reach potential customers outside of the Territory.

(b) Service. Franchisee shall not serve customers outside of the Territory without Franchisor’s prior written permission (which Franchisor may withdraw at any time), unless in compliance with Franchisor’s then-current territory policy.

(c) Protected Territory. For so long as Franchisee is in full compliance with the terms and conditions of this Agreement, during the term of this Agreement, Franchisor will not establish, nor license the establishment of, another Velox Valuations business to be located within the Territory or that has rights to market in the Territory, subject to Franchisor’ reserved rights in clauses 2.2(d)(i) – 2.2(d)(vii) below.

(d) Franchisor’ Reserved Rights. Except as expressly limited by Section 2.2(c), Franchisor and its affiliates may engage in any activity whatsoever on any terms and conditions they deem advisable whenever and wherever they desire. Franchisor and its affiliates retain all rights whatsoever not expressly granted herein, including, but not limited to the right to:

- (i) serve or authorize other franchisees to serve customers anywhere, including in the Territory;
- (ii) establish and license others to establish and operate Velox Valuations businesses outside the Territory;
- (iii) operate and license others to operate businesses anywhere that do not operate under the Marks;
- (iv) sell and license others to sell Velox Valuations products and services to customers in the Territory through other channels of distribution (including the internet) so long as such products and services are not provided through a Velox Valuations outlet located in the Territory;

- (v) solicit and sell to National Accounts which may have locations or representation in the Territory. In the cases where Franchisor or an affiliate are selling to National Accounts, Franchisee will have rights to the business located in the Territory which is derived from the National Accounts; however, Franchisor may designate or authorize a corporate employee, another franchisee or any other third party to perform or assist Franchisee in performing the services within the Territory, without compensation to Franchisee for same, if Franchisee refuses or, in Franchisor's judgment, is not qualified, interested, able or available to perform the services for any National Account customer in the Territory; if Franchisee requests assistance; or if a customer, orally or in writing, specifically requests services in the Territory from a different franchisee or any other third party. If Franchisee agrees to participate in or service National Accounts, it must do so on the terms Franchisor specifies, which terms may include, but may not be limited to, the provision of certain insurance, equipment, products and services, and the offer of services at prices not to exceed the maximum prices specified; and
- (vi) merge with, acquire or become acquired by ("Merger/Acquisition Activity") any businesses, including competitive businesses, which businesses operate under trademarks other than the Velox Valuations trademarks and may offer or sell products and services that are the same as or similar to the products and services offered at or from the Business, and which may be located anywhere inside or outside the Territory.

(e) Policies. Franchisor may set policies binding on all franchisees regarding soliciting, marketing, and serving customers in another franchisee's territory, and Franchisor may waive or modify such policies in any circumstance as Franchisor determines. If Franchisee serves a customer outside of the Territory without Franchisor's prior written permission or in violation of Franchisor's then-current territory policy, Franchisor may impose a fee equal to the greater of (i) \$500 or (ii) 75% of the amount paid by such customer to Franchisee. This fee is a reasonable estimate of Franchisor's internal cost of personnel time attributable to addressing Franchisee's breach of this Section, and it is not a penalty or estimate of all damages arising from Franchisee's breach. This fee is in addition to all of Franchisor's other rights and remedies.

2.3 Franchisee Control. Franchisee represents that Attachment 1 (i) identifies each owner, officer and director of Franchisee, and (ii) describes the nature and extent of each owner's interest in Franchisee. If any information on Attachment 1 changes (provided such change is not a Transfer), Franchisee shall notify Franchisor within 10 days.

2.4 Principal Executive. Franchisee agrees that the person designated as the "Principal Executive" on the Summary Page is the executive of Franchisee primarily responsible for the Business and has decision-making authority on behalf of Franchisee. The Principal Executive must have at least 10% ownership interest in Franchisee. The Principal Executive must participate in the direct operation of the Business and must devote substantial time and attention to the Business. If the Principal Executive dies, becomes incapacitated, transfers his/her interest in Franchisee, or otherwise ceases to be the executive primarily responsible for the Business, Franchisee shall promptly designate a new Principal Executive, subject to Franchisor's reasonable approval.

2.5 Guaranty. If Franchisee is an entity, then Franchisee shall have each Owner sign a personal guaranty of Franchisee's obligations to Franchisor, in the form of Attachment 2.

2.6 No Conflict. Franchisee represents to Franchisor that Franchisee and each of its Owners (i) are not violating any agreement (including any confidentiality or non-competition covenant) by entering into or performing under this Agreement, (ii) are not a direct or indirect owner of any Competitor, and (iii) are not listed or "blocked" in connection with, and are not in violation under, any anti-terrorism law, regulation, or executive order.

ARTICLE 3. TERM

3.1 Term. This Agreement commences on the Effective Date and continues for 10 years.

3.2 Successor Agreement. When the term of this Agreement expires, Franchisee may enter into a successor agreement, for up to 2 additional periods of 5 years each, subject to complying with the following conditions prior to each expiration:

- (i) Franchisee notifies Franchisor of its election to renew between 90 and 180 days prior to the end of the expiring term;
- (ii) Franchisee (and its affiliates) are in compliance with this Agreement and all other agreements with Franchisor (or any of its affiliates) at the time of election and at the time of renewal;
- (iii) Franchisee has made or agrees to make (within a period of time acceptable to Franchisor) updates to the Business as Franchisor requires to conform the Business to the then-current System Standards;
- (iv) Franchisee and its Owners execute Franchisor's then-current standard form of franchise agreement and related documents (including personal guaranty), which may be materially different than this Agreement (including, without limitation, higher and/or different fees), except that (A) Franchisee will not pay another initial franchise fee, (B) Franchisee will not receive more renewal or successor terms than described in this Section, and (C) the Territory will not be changed; and
- (v) Franchisee and each Owner executes a general release (on Franchisor's then-standard form) of any and all claims against Franchisor, its affiliates, and their respective owners, officers, directors, agents and employees.

ARTICLE 4. FEES

4.1 Initial Franchise Fee. Upon signing this Agreement, Franchisee shall pay an initial franchise fee in the amount stated on the Summary Page. This initial franchise fee is not refundable.

4.2 Royalty Fee. Franchisee shall pay Franchisor a monthly royalty fee (the "Royalty Fee") equal to 10% of Gross Sales. The Royalty Fee for any given month is due by the 15th day of the following month.

4.3 Brand Fund Contribution.

(a) Brand Fund Contribution. Franchisee shall pay Franchisor a contribution to the Brand Fund (the “Brand Fund Contribution”) equal to 2% of Franchisee’s Gross Sales (or such lesser amount as Franchisor determines), at the same time as the Royalty Fee.

4.4 Replacement / Additional Training Fee. If Franchisee sends more than three trainees to Franchisor’s initial training program or sends an employee to Franchisor’s training program after opening, including a replacement manager, Franchisor may charge its then-current training fee. As of the date of this Agreement, the training fee is \$450 per day. We may increase this fee in the future but not more than by 20% in any year. We may offer virtual training instead at no fee or a lower fee.

4.5 Non-Compliance Fee. Franchisor may charge Franchisee \$500 for any instance of non-compliance with the System Standards or this Agreement (other than Franchisee’s non-payment of a fee owed to Franchisor) which Franchisee fails to cure after 30 days’ notice. Thereafter, Franchisor may charge Franchisee \$250 per week until Franchisee ceases such non-compliance. This fee is a reasonable estimate of Franchisor’s internal cost of personnel time attributable to addressing the non-compliance, and it is not a penalty or estimate of all damages arising from Franchisee’s breach. The non-compliance fee is in addition to all of Franchisor’s other rights and remedies (including default and termination under Section 14.2).

4.6 Optional Appraiser Referral Fee. If Franchisee chooses to have Franchisor provide optional appraiser referral services and/or tools to assist Franchisee in recruiting and hiring of a new appraiser, Franchisee will pay Franchisor a fee of \$1,500 per referral whom Franchisee decides to hire. For avoidance of doubt, all hiring decisions and conditions of employment are solely and exclusively Franchisee’s responsibility.

4.7 Reimbursement. Franchisor may (but is never obligated to) pay on Franchisee’s behalf any amount that Franchisee owes to a supplier or other third party. If Franchisor does so, Franchisee shall pay such amount plus a 10% administrative charge to Franchisor within 15 days after invoice by Franchisor accompanied by reasonable documentation.

4.8 Payment Terms.

(a) Method of Payment. Franchisee shall pay the Royalty Fee, Brand Fund Contribution, and any other amounts owed to Franchisor by pre-authorized bank draft or in such other manner as Franchisor may require. Franchisee shall comply with Franchisor’s payment instructions.

(b) Calculation of Fees. Franchisee shall report monthly Gross Sales to Franchisor by the 5th day of the following month. If Franchisee fails to report monthly Gross Sales, then Franchisor may withdraw estimated Royalty Fees and Brand Fund Contributions equal to 125% of the last Gross Sales reported to Franchisor, and the parties will true-up the actual fees after Franchisee reports Gross Sales. Franchisee acknowledges that Franchisor has the right to remotely access Franchisee’s point-of-sale system to calculate Gross Sales.

(c) Late Fees and Interest. If Franchisee does not make a payment on time, Franchisee shall pay a \$100 “late fee” plus interest on the unpaid amount at a rate equal to 18% per year (or, if such payment exceeds the maximum allowed by law, then interest at the highest rate allowed by law).

(d) Insufficient Funds. Franchisor may charge \$30 for any payment returned for insufficient funds (or, if such amount exceeds the maximum allowed by law, then the fee allowed by law).

(e) Costs of Collection. Franchisee shall repay any costs incurred by Franchisor (including reasonable attorney fees) in attempting to collect payments owed by Franchisee.

(f) Application. Franchisor may apply any payment received from Franchisee to any obligation and in any order as Franchisor may determine, regardless of any designation by Franchisee.

(g) Obligations Independent; No Set-Off. The obligations of Franchisee to pay to Franchisor any fees or amounts described in this Agreement are not dependent on Franchisor’s performance and are independent covenants by Franchisee. Franchisee shall make all such payments without offset or deduction.

ARTICLE 5. FRANCHISOR ASSISTANCE

5.1 Manual. Franchisor shall make its Manual available to Franchisee.

5.2 Tools for Training Employees. Franchisor shall, to the extent it deems appropriate, provide programs and tools to Franchisee that will assist Franchisee in conducting its training of its new employees.

5.3 Pre-Opening Assistance.

(a) Pre-Opening Specifications and Vendors. To the extent not included in the Manual, Franchisor shall provide Franchisee with (i) applicable System Standards and other specifications as Franchisor deems appropriate (which may include specifications regarding inventory, supplies, materials, and other matters), and (ii) Franchisor’s lists of Approved Vendors and/or Required Vendors.

(b) Optional Business Plan Review. If requested by Franchisee, following the parties’ execution of this Agreement, Franchisor shall review and advise on Franchisee’s pre-opening business plan and financial projections. **Franchisee acknowledges that Franchisor accepts no responsibility for the performance of the Business.**

(c) Pre-Opening Training. Franchisor shall make available its standard pre-opening training to the Principal Executive and up to one other team member of Franchisee, at Franchisor’s headquarters and/or at a Velox Valuations business designated by Franchisor. Franchisor shall not charge any fee for this training. Franchisee is responsible for the trainee’s travel, lodging, meal, and other out-of-pocket expenses. Franchisor reserves the right to vary the length and content of

the initial training program based on the experience and skill level of any individual attending the program.

(d) Market Introduction Plan. Franchisor shall advise Franchisee regarding Franchisee's planning and execution of Franchisee's market introduction plan.

(e) On-Site Opening Assistance. Franchisor may have a representative support Franchisee's business opening with 2-3 days of onsite opening training and assistance, at Franchisor's cost.

5.4 Post-Opening Assistance.

(a) Advice, Consulting, and Support. If Franchisee requests, Franchisor will provide advice to Franchisee (by telephone or electronic communication) regarding improving and developing Franchisee's Business, and resolving operating problems Franchisee encounters, to the extent Franchisor deems reasonable. If Franchisor provides in-person support in response to Franchisee's request, Franchisor may charge Franchisee its then-current fee plus any out-of-pocket expenses (such as travel, lodging, and meals for employees providing onsite support).

(b) Pricing. Upon request, Franchisor will provide recommended prices for products and services offered by franchisees of the System.

(c) Procedures. Franchisor will provide Franchisee with Franchisor's recommended administrative, bookkeeping, accounting, and inventory control procedures. Franchisor may make any such procedures part of required (and not merely recommended) System Standards.

(d) Marketing. Franchisor shall manage the Brand Fund.

(e) Internet. Franchisor shall maintain a website for the Velox Valuations System, which will reference Franchisee's location (or territory) and telephone number.

ARTICLE 6. LOCATION, DEVELOPMENT, AND OPENING

6.1 Location. Franchisee is solely responsible for selecting the Location. If the Location is not stated on the Summary Page, then Franchisee shall find a suitable Location that meets Franchisor's System Standards (if any) within the Territory.

6.2 Lease. In connection with any lease between Franchisee and the landlord of the Location: (i) if requested by Franchisor, Franchisee must submit the proposed lease to Franchisor for written approval, and (ii) the term of the lease (including renewal terms) must be for a period of not less than the term of this Agreement.

6.3 Development. If the Location will be open to the public or used for meeting customers or potential customers, then Franchisee shall construct (or remodel) and finish the Location in conformity with Franchisor's System Standards.

6.4 New Franchisee Training. Franchisee's Principal Executive must complete Franchisor's training program for new franchisees to Franchisor's satisfaction at least four weeks before opening the Business.

6.5 Conditions to Opening. Franchisee shall notify Franchisor at least 30 days before Franchisee intends to open the Business. Before opening, Franchisee must satisfy all of the following conditions: (1) Franchisee is in compliance with this Agreement, (2) Franchisee has obtained all applicable governmental permits and authorizations, (3) the Business conforms to all applicable System Standards, (4) Franchisee has hired sufficient number of qualified employees, (5) Franchisee's officers and employees have completed all of Franchisor's required pre-opening training; and (6) Franchisor has given its written approval to open, which approval will not be unreasonably withheld.

6.6 Opening Date. Franchisee shall open the Business on or before the date stated on the Summary Page.

ARTICLE 7. OPERATIONS

7.1 Compliance with Manual and System Standards. Franchisee shall at all times and at its own expense comply with all mandatory obligations contained in the Manual and with all other System Standards. The Manual will contain both mandatory standards and recommended standards. Any required standards exist to protect Franchisor's interests in the System and the Marks and not for the purpose of establishing any control or duty to take control over those matters that are reserved to Franchisee. The required standards generally will be set forth in the Manual or other written materials. The Manual also will include guidelines or recommendations in addition to required standards. In some instances, the required standards will include recommendations or guidelines to meet the required standards. Franchisee may follow the recommendations or guidelines or some other suitable alternative, provided Franchisee meets and complies with the required standards. In other instances, no suitable alternative may exist. In order to protect Franchisor's interests in the System and the Marks, Franchisor reserves the right to determine if Franchisee is meeting a required standard and whether an alternative is suitable to any recommendations or guidelines.

7.2 Compliance with Law. Franchisee and the Business shall comply with all laws and regulations. Franchisee and the Business shall obtain and keep in force all governmental permits and licenses necessary for the Business.

7.3 Products and Services; Warranty. Franchisee shall offer all products and services, and only those products and services, from time to time prescribed by Franchisor in the Manual or otherwise in writing. Franchisee shall provide all products and perform all services in a high-quality manner that meets or exceeds the customer's reasonable expectations and all applicable System Standards. Franchisee shall implement any guaranties, warranties, or similar commitments to customers regarding products and/or services that Franchisor may require.

7.4 Prices. Franchisor may require Franchisee to offer products and services at specific prices determined by Franchisor if Franchisor is promoting such products and services on a national,

regional, or local market basis, for the duration of the promotion (but only to the extent permitted by applicable law).

7.5 Personnel.

(a) Service. Franchisee shall cause its personnel to render competent and courteous service to all customers and members of the public.

(b) Appearance. Franchisee shall cause its personnel to comply with any dress attire, uniform, personal appearance and hygiene standards set forth in the Manual.

(c) Qualifications. Franchisor may set minimum qualifications for categories of employees employed by Franchisee.

(d) Business Practices. Franchisee shall notify Franchisor if Franchisee or a key employee of Franchisee has licensure related to appraisal services revoked or suspended.

(e) Sole Responsibility. Franchisee is solely responsible for the terms and conditions of employment of all of its personnel, including recruiting, hiring, training, scheduling, supervising, compensation, and termination. Franchisee is solely responsible for all actions of its personnel. Franchisee and Franchisor are not joint employers, and no employee of Franchisee will be an agent or employee of Franchisor. Within seven days of Franchisor's request, Franchisee and each of its employees will sign an acknowledgment form stating that Franchisee alone (and not Franchisor) is the employee's sole employer. Franchisee will use its legal name on all documents with its employees and independent contractors, including, but not limited to, employment applications, time cards, pay checks, and employment and independent contractor agreements, and Franchisee will not use the Marks on any of these documents.

7.6 Post-Opening Training. Franchisor may at any time require that the Principal Executive and/or any other employees complete training programs, in any format and in any location determined by Franchisor. Franchisor may charge a reasonable fee for any training programs. Franchisor may require Franchisee to provide training programs to its employees. If a training program is held at a location which requires travel by the Principal Executive or any other employee, then Franchisee shall pay all travel, living and other expenses.

7.7 Software. Without limiting the generality of Section 7.1 or Section 8.1, Franchisee shall acquire and use all software and related systems from time to time required by Franchisor. Franchisee shall enter into any subscription and support agreements that Franchisor may require. Franchisee shall upgrade, update, or replace any software from time to time as Franchisor may require. Franchisee shall protect the confidentiality and security of all software systems, and Franchisee shall abide by any System Standards related thereto. Franchisee shall give Franchisor unlimited access to Franchisee's point of sale system and other software systems used in the Business, by any means designated by Franchisor.

7.8 Customer Complaints. Franchisee shall use its best efforts to promptly resolve any customer complaints. Franchisor may take any action it deems appropriate to resolve a customer complaint regarding the Business, and Franchisor may require Franchisee to reimburse Franchisor for any expenses.

7.9 Evaluation and Compliance Programs. Franchisee shall participate at its own expense in programs required from time to time by Franchisor for obtaining customer evaluations, reviewing Franchisee's compliance with the System, and/or managing customer complaints, which may include (but are not limited to) a customer feedback system, customer survey programs, and mystery shopping. Franchisor shall share with Franchisee the results of these programs, as they pertain to the Business. Franchisee must meet or exceed any minimum score requirements set by Franchisor for such programs. Franchisor may set minimum scores that Franchisee must receive from the public on internet review sites (such as Yelp or Google).

7.10 Payment Systems. Franchisee shall accept payment from customers in any form or manner designated by Franchisor (which may include, for example, cash, specific credit and/or debit cards, gift cards, electronic fund transfer systems, and mobile payment systems). Franchisee shall purchase or lease all equipment and enter into all business relationships necessary to accept payments as required by Franchisor. Franchisee must at all times comply with payment card industry data security standards (PCI-DSS).

7.11 Gift Cards, Loyalty Programs, and Incentive Programs. At its own expense, Franchisee shall sell or otherwise issue gift cards, certificates, or other pre-paid systems, and participate in any customer loyalty programs, membership/subscription programs, or customer incentive programs, designated by Franchisor, in the manner specified by Franchisor in the Manual or otherwise in writing. Franchisee shall honor all valid gift cards and other pre-paid systems, regardless of whether issued by Franchisee or another Velox Valuations business. Franchisee shall comply with all procedures and specifications of Franchisor related to gift cards, certificates, and other pre-paid systems, or related to customer loyalty, membership/subscription, or customer incentive programs.

7.12 Maintenance and Repair. If the Location will be open to the public or used for meeting customers or potential customers, then Franchisee shall at all times keep the Business in a neat and clean condition, perform all appropriate maintenance, and keep all physical property in good repair. In addition, Franchisee shall promptly perform all work on the physical property of the Business as Franchisor may prescribe from time to time.

7.13 Vehicles. If Franchisee uses one or more vehicles for the Business, Franchisee shall ensure that all vehicles comply with all applicable System Standards, including without limitation required equipment and exterior décor. Franchisee shall keep all vehicles in excellent or better condition, clean, and free of dents and other damage, and shall ensure that the vehicles present a first-class image appropriate to Franchisor's System. Franchisee shall use the vehicle solely for the Business.

7.14 Meetings. The Principal Executive shall use reasonable efforts to attend all in-person meetings and remote meetings (such as telephone conference calls) that Franchisor requires, including any national or regional brand conventions. Franchisee shall not permit the Principal Executive to fail to attend more than three consecutive required meetings.

7.15 Insurance.

(a) Franchisee shall obtain and maintain insurance policies in the types and amounts as specified by Franchisor in the Manual. If not specified in the Manual, Franchisee shall maintain at least the following insurance coverage:

- (i) Commercial General Liability insurance, including products liability coverage, and broad form commercial liability coverage, written on an “occurrence” policy form in an amount of not less than \$1,000,000 single limit per occurrence and \$3,000,000 aggregate limit;
- (ii) Business Automobile Liability insurance including owned, leased, non-owned and hired automobiles coverage in an amount of not less than \$1,000,000; and
- (iii) Workers Compensation coverage as required by state law; and
- (iv) Errors and Omissions Insurance with a single instance of \$1,000,000 and an aggregate of \$2,000,000.

(b) Franchisee’s policies (other than Workers Compensation) must (1) list Franchisor and its affiliates as an additional insured, (2) include a waiver of subrogation in favor of Franchisor and its affiliates, (3) be primary and non-contributing with any insurance carried by Franchisor or its affiliates, and (4) stipulate that Franchisor shall receive 30 days’ prior written notice of cancellation.

7.16 Payments to Third Parties and Government. Franchisee shall pay all vendors and suppliers in a timely manner. Franchisee shall pay all taxes when due. If Franchisee borrows money, it shall comply with the terms of its loan and make all loan payments when due. If Franchisee leases the Location, Franchisee shall comply with its lease for the Location and make all rent payments when due.

7.17 Public Relations. Franchisee shall not make any public statements (including giving interviews or issuing press releases) regarding Velox Valuations, the Business, or any particular incident or occurrence related to the Business, without Franchisor’s prior written approval, which will not be unreasonably withheld.

7.18 Association with Causes. Franchisee shall not in the name of the Business (i) donate money, products, or services to any charitable, political, religious, or other organization, or (ii) act in support of any such organization, without Franchisor’s prior written approval, which will not be unreasonably withheld.

7.19 No Other Activity Associated with the Business. Franchisee shall not use the assets of the Business for any purpose other than the Business. Franchisee shall not “co-brand” or associate any other business activity with the Velox Valuations Business in a manner which is likely to cause the public to perceive it to be related to the Velox Valuations Business. If Franchisee is an entity, the entity shall not own or operate any other business except Velox Valuations businesses.

7.20 No Third-Party Management. Franchisee shall not engage a third-party management company to manage or operate the Business without the prior written approval of Franchisor, which will not be unreasonably withheld.

7.21 No Subcontracting. Franchisee shall not subcontract or delegate to a third party any services to be performed by Franchisee for a customer (other than engaging individuals as independent contractors in the ordinary course of business).

7.22 Identification. Franchisee must identify itself as the independent owner of the Business in the manner prescribed by Franchisor.

7.23 Business Practices. Franchisee, in all interactions with customers, employees, vendors, governmental authorities, and other third parties, shall be honest and fair. Franchisee shall comply with any code of ethics or statement of values from Franchisor. Franchisee shall not take any action which may injure the goodwill associated with the Marks.

ARTICLE 8. SUPPLIERS AND VENDORS

8.1 Generally. Franchisee shall acquire all Inputs required by Franchisor from time to time in accordance with System Standards. Franchisor may require Franchisee to purchase or lease any Inputs from Franchisor, Franchisor's designee, Required Vendors, Approved Vendors, and/or under Franchisor's specifications. Franchisor may change any such requirement or change the status of any vendor. To make such requirement or change effective, Franchisor shall issue the appropriate System Standards. Franchisee will pay the then-current price in effect for any approved products and supplies it purchases from Franchisor or its affiliates. Franchisee acknowledges that Franchisor and/or its affiliates may from time to time make a profit on their sales of goods or services to Franchisee for use in the Business.

8.2 Alternate Vendor Approval. If Franchisor requires Franchisee to purchase a particular Input only from an Approved Vendor or Required Vendor, and Franchisee desires to purchase the Input from another vendor, then Franchisee must submit a written request for approval and any information, specifications and/or samples requested by Franchisor. Franchisor may condition its approval on such criteria as Franchisor deems appropriate, which may include evaluations of the vendor's capacity, quality, financial stability, reputation, and reliability; inspections; product testing, and performance reviews. Franchisor will provide Franchisee with written notification of the approval or disapproval of any proposed new vendor within 30 days after receipt of Franchisee's request.

8.3 Alternate Input Approval. If Franchisor requires Franchisee to purchase a particular Input, and Franchisee desires to purchase an alternate to the Input, then Franchisee must submit a written request for approval and any information, specifications and/or samples requested by Franchisor. Franchisor will provide Franchisee with written notification of the approval or disapproval of any proposed alternate Input within 30 days after receipt of Franchisee's request.

8.4 Purchasing; Rebates. Franchisor may negotiate prices and terms with vendors on behalf of the System. Franchisor may receive rebates, payments, or other consideration from vendors, suppliers and/or manufacturers in respect of sales of goods or services to Franchisee or in consideration of services rendered or rights licensed to such persons. Franchisee agrees that

Franchisor and/or its affiliates are entitled to said rebates, payments and/or consideration and Franchisor or the affiliate may use same as they deem appropriate. Franchisor may establish a purchasing cooperative and require Franchisee to join and participate in the purchasing cooperative on such terms and conditions as Franchisor may determine.

8.5 No Liability of Franchisor. Franchisor shall not have any liability to Franchisee for any claim or loss related to any product provided or service performed by any Approved Vendor or Required Vendor, including without limitation, defects, delays, or unavailability of products or services.

ARTICLE 9. MARKETING

9.1 Approval and Implementation. Franchisee shall not conduct any marketing, advertising or public relations activities (including on any websites or any online advertising, social media marketing or presence, and sponsorships) that have not been approved by Franchisor. Franchisor may (but is not obligated to) operate all “social media” accounts on behalf of the System, or it may permit franchisees to operate one or more accounts. Franchisee must comply with any System Standards regarding marketing, advertising, and public relations, include any social media policy that Franchisor may prescribe. Franchisee shall implement any marketing plans or campaigns required by Franchisor.

9.2 Use By Franchisor. Franchisor may use any marketing materials or campaigns developed by or on behalf of Franchisee, and Franchisee hereby grants an unlimited, perpetual, royalty-free license to Franchisor for such purpose.

9.3 Brand Fund. Franchisor may establish a Brand Fund to promote the System on a local, regional, national, and/or international level. If Franchisor has established a Brand Fund:

(a) Separate Account. Franchisor shall hold the Brand Fund Contributions from all franchisees in one or more bank accounts separate from Franchisor’s other accounts.

(b) Use. Franchisor shall use the Brand Fund only for marketing, advertising, and public relations materials, programs and campaigns (including at local, regional, national, and/or international level), and related overhead. The foregoing includes such activities and expenses as Franchisor reasonably determines, and may include, without limitation: development and placement of advertising and promotions; sponsorships; contests and sweepstakes; development of décor, trade dress, Marks, and/or branding; development and maintenance of brand websites; social media; internet activities; e-commerce programs; search engine optimization; market research; public relations, media or agency costs; trade shows and other events; printing and mailing; and administrative and overhead expenses related to the Brand Fund (including the compensation of Franchisor’s employees working on marketing and for accounting, bookkeeping, reporting, legal and other expenses related to the Brand Fund).

(c) Discretion. Franchisee agrees that expenditures from the Brand Fund need not be proportionate to contributions made by Franchisee or provide any direct or indirect benefit to Franchisee. The Brand Fund will be spent at Franchisor’s sole determination, and Franchisor has no fiduciary duty with regard to the Brand Fund. The Brand Fund is not a trust or escrow account.

(d) Contribution by Other Velox Valuations Businesses. Franchisor is not obligated to (i) have all other Velox Valuations businesses (whether owned by other franchisees or by Franchisor or its affiliates) contribute to the Brand Fund, or (ii) have other Velox Valuations businesses that do contribute to the Brand Fund contribute the same amount or at the same rate as Franchisee.

(e) Surplus or Deficit. Franchisor may accumulate funds in the Brand Fund and carry the balance over to subsequent years. If the Brand Fund operates at a deficit or requires additional funds at any time, Franchisor may loan such funds to the Brand Fund on reasonable terms.

(f) Financial Statement. Franchisor will prepare an unaudited annual financial statement of the Brand Fund within 120 days of the close of Franchisor's fiscal year and will provide the financial statement to Franchisee upon request.

9.4 Required Spending. Franchisee shall spend at least 1% of Gross Sales each month on marketing the Business. Upon request of Franchisor, Franchisee shall furnish proof of its compliance with this Section. Franchisor has the sole discretion to determine what activities constitute "marketing" under this Section.

9.5 Market Introduction Plan. Franchisee must develop a market introduction plan and obtain Franchisor's approval of the market introduction plan at least 30 days before the projected opening date of the Business. In this plan, Franchisee shall outline the initial marketing and promotional expenditures it intends to make in order to promote the opening of the Business. Franchisee shall implement the market introduction plan during the 30 days prior to Business opening. Franchisee must spend \$3,000 to \$5,000 (as Franchisor determines based on Territory and other factors) on implementing the market introduction plan, and Franchisor may require that Franchisee pay all or part of such amount to a third-party approved vendor that may conduct some or all of the market introduction plan activities on Franchisee's behalf.

ARTICLE 10. RECORDS AND REPORTS

10.1 Systems. Franchisee shall use such customer data management, sales data management, administrative, bookkeeping, accounting, and inventory control procedures and systems as Franchisor may specify in the Manual or otherwise in writing.

10.2 Reports.

(a) Financial Reports. Franchisee shall provide to Franchisor such periodic financial reports as Franchisor may require in the Manual or otherwise in writing, including:

- (i) a monthly profit and loss statement and balance sheet for the Business within 30 days after the end of each calendar month;
- (ii) an annual financial statement (including profit and loss statement, cash flow statement, and balance sheet) for the Business within 90 days after the end of Franchisor's fiscal year; and

- (iii) any information Franchisor requests in order to prepare a financial performance representation for Franchisor's franchise disclosure document.

(b) Legal Actions and Investigations. Franchisee shall promptly notify Franchisor of any Action, State Licensing revocations, Lender Panels or threatened Action by any customer, governmental authority, or other third party against Franchisee or the Business, or otherwise involving the Franchisee or the Business. Franchisee shall provide such documents and information related to any such Action as Franchisor may request.

(c) Government Inspections. Franchisee shall give Franchisor copies of all inspection reports, warnings, certificates, and ratings issued by any governmental entity with respect to the Business, within three days of Franchisee's receipt thereof.

(d) Other Information. Franchisee shall submit to Franchisor such other financial statements, budgets, forecasts, reports, records, copies of contracts, documents related to litigation, tax returns, copies of governmental permits, and other documents and information related to the Business as specified in the Manual or that Franchisor may reasonably request.

10.3 Initial Investment Report. Within 120 days after opening for business, Franchisee shall submit to Franchisor a report detailing Franchisee's investment costs to develop and open the Business, with costs allocated to the categories described in Item 7 of Franchisor's Franchise Disclosure Document and with such other information as Franchisor may request.

10.4 Business Records. Franchisee shall keep complete and accurate books and records reflecting all expenditures and receipts of the Business, with supporting documents (including, but not limited to, payroll records, payroll tax returns, register receipts, production reports, sales invoices, bank statements, deposit receipts, cancelled checks and paid invoices) for at least three years. Franchisee shall keep such other business records as Franchisor may specify in the Manual or otherwise in writing.

10.5 Records Audit. Franchisor may examine and audit all books and records related to the Business, and supporting documentation, at any reasonable time. Franchisor may conduct the audit at the Location and/or require Franchisee to deliver copies of books, records and supporting documentation to a location designated by Franchisor. Franchisee shall also reimburse Franchisor for all costs and expenses of the examination or audit (in addition to any other amounts owed) if (i) Franchisor conducted the audit because Franchisee failed to submit required reports or was otherwise not in compliance with the System Standards, or (ii) the audit reveals that Franchisee understated Gross Sales by 3% or more for any month.

ARTICLE 11. FRANCHISOR RIGHTS

11.1 Manual; Modification. The Manual, and any part of the Manual, may be in any form or media determined by Franchisor. Franchisor may supplement, revise, or modify the Manual, and Franchisor may change, add or delete System Standards at any time in its sole determination. Franchisor may inform Franchisee thereof by any method that Franchisor deems appropriate (which need not qualify as "notice" under Section 18.9). In the event of any dispute as to the contents of the Manual, Franchisor's master copy will control.

11.2 Business Evaluation. Franchisor may accompany Franchisee or its personnel on any services performed for a customer to conduct an evaluation. If the Location will be open to the public or used for meeting customers or potential customers, Franchisor may enter the premises of the Business from time to time during normal business hours and conduct an evaluation. Franchisee shall cooperate with Franchisor's evaluators. The evaluation may include, but is not limited to, observing operations, conducting a physical inventory, evaluating physical conditions, monitoring sales activity, speaking with employees and customers, and removing samples of products, supplies and materials. Franchisor may videotape and/or take photographs of the evaluation. Franchisor may set a minimum score requirement for evaluations, and Franchisee's failure to meet or exceed the minimum score will be a default under this Agreement. Without limiting Franchisor's other rights under this Agreement, Franchisee will, as soon as reasonably practical, correct any deficiencies noted during an evaluation. If Franchisor conducts an evaluation because of a governmental report, customer complaint or other customer feedback, or a default or non-compliance with any System Standard by Franchisee (including following up a previous failed evaluation), then Franchisor may charge all out-of-pocket expenses.

11.3 Franchisor's Right to Cure. If Franchisee breaches or defaults under any provision of this Agreement, Franchisor may (but has no obligation to) take any action to cure the default on behalf of Franchisee, without any liability to Franchisee. Franchisee shall reimburse Franchisor for its costs and expenses (including the allocation of any internal costs) for such action, plus 10% as an administrative fee.

11.4 Right to Discontinue Supplies Upon Default. While Franchisee is in default or breach of this Agreement, Franchisor may (i) require that Franchisee pay cash on delivery for products or services supplied by Franchisor, (ii) stop selling or providing any products and services to Franchisee, and/or (iii) request any third-party vendors to not sell or provide products or services to Franchisee. No such action by Franchisor shall be a breach or constructive termination of this Agreement, change in competitive circumstances or similarly characterized, and Franchisee shall not be relieved of any obligations under this Agreement because of any such action. Such rights of Franchisor are in addition to any other right or remedy available to Franchisor.

11.5 Business Data. All customer data and other non-public data generated by the Business is Confidential Information and is exclusively owned by Franchisor. Franchisor may use such data as it deems appropriate. Franchisor hereby licenses such data back to Franchisee without charge solely for Franchisee's use in connection with the Business for the term of this Agreement subject to such restrictions as Franchisor may from time to time impose and in compliance with all data privacy, security and other applicable laws. Without limiting the foregoing, Franchisee agrees to comply with applicable law in connection with its collection, storage, disclosures and its use and Franchisor's use of such data, including, if required under applicable law, obtaining consents from customers to Franchisor's and its affiliates' use of the data. Franchisee must comply with all laws and regulations relating to data protection, privacy and security, including data breach response requirements ("Privacy Laws"), as well as data privacy and security policies, procedures and other requirements Velox Valuations may periodically establish. Franchisee must notify Franchisor immediately of any suspected data breach at or in connection with the Business. Franchisee must fully cooperate with Franchisor and its counsel in determining the most effective way to meet System Standards pertaining to Privacy Laws within the bounds of applicable law. Franchisee is

responsible for any financial losses it incurs or remedial actions that it must take as a result of breach of security or unauthorized access to customer information in its control or possession.

11.6 Innovations. Franchisee shall disclose to Franchisor all ideas, plans, improvements, concepts, methods and techniques relating to the Business (collectively, “Innovations”) conceived or developed by Franchisee, its employees, agents or contractors. Franchisor will automatically own all Innovations and it will have the right to use and incorporate any Innovations into the System, without any compensation to Franchisee. Franchisee shall execute any documents reasonably requested by Franchisor to document Franchisor’s ownership of Innovations.

11.7 Communication Systems. If Franchisor provides email accounts and/or other communication systems to Franchisee, then Franchisee acknowledges that it has no expectation of privacy in the assigned email accounts and other communications systems, and Franchisee authorizes Franchisor to access such communications.

11.8 Delegation. Franchisor may delegate any duty or obligation of Franchisor under this Agreement to an affiliate or to a third party.

11.9 System Variations. Franchisor may vary or waive any System Standard for any one or more Velox Valuations franchises due to the peculiarities of the particular site or circumstances, density of population, business potential, population of trade area, existing business practices, applicable laws or regulations, or any other condition relevant to the performance of a franchise or group of franchises. Franchisee is not entitled to the same variation or waiver.

11.10 Crisis Situations. In the interest of protecting the Velox Valuations brand, Marks and the System, we have the sole and absolute right to determine a response, including what steps will be taken and what communications will be made, in instances of a Crisis, and you agree to comply with and implement our directions in response to a Crisis. “Crisis” means an event or development that negatively impacts the Velox Valuations brand or System in such a way that we determine may cause substantial harm or injury to the Marks, System, the Intellectual Property associated with the System, or the reputation or image of the Velox Valuations brand.

ARTICLE 12. MARKS

12.1 Authorized Marks. Franchisee shall use no trademarks, service marks or logos in connection with the Business other than the Marks. Franchisee shall use all Marks specified by Franchisor, and only in the manner as Franchisor may require. Franchisee has no rights in the Marks other than the right to use them in the operation of the Business in compliance with this Agreement. All use of the Marks by Franchisee and any goodwill associated with the Marks, including any goodwill arising due to Franchisee’s operation of the Business, will inure to the exclusive benefit of Franchisor.

12.2 Change of Marks. Franchisor may add, modify, or discontinue any Marks to be used under the System. Within a reasonable time after Franchisor makes any such change, Franchisee must comply with the change, at Franchisee’s expense.

12.3 Infringement.

(a) Defense of Franchisee. If Franchisee has used the Marks in accordance with this Agreement, then (i) Franchisor shall defend Franchisee (at Franchisor's expense) against any Action by a third party alleging infringement by Franchisee's use of a Mark, and (ii) Franchisor will indemnify Franchisee for expenses and damages if the Action is resolved unfavorably to Franchisee.

(b) Infringement by Third Party. Franchisee shall promptly notify Franchisor if Franchisee becomes aware of any possible infringement of a Mark by a third party. Franchisor may, in its sole determination, commence or join any claim against the infringing party.

(c) Control. Franchisor shall have the exclusive right to control any prosecution or defense of any Action related to possible infringement of or by the Marks.

12.4 Name. If Franchisee is an entity, it shall not use the words "Velox Valuations" or any confusingly similar words in its legal name.

ARTICLE 13. COVENANTS

13.1 Confidential Information. With respect to all Confidential Information, Franchisee shall (a) adhere to all procedures prescribed by Franchisor for maintaining confidentiality, (b) disclose such information to its employees only to the extent necessary for the operation of the Business; (c) not use any such information in any other business or in any manner not specifically authorized in writing by Franchisor, (d) exercise the highest degree of diligence and effort to maintain the confidentiality of all such information during and after the term of this Agreement, (e) not copy or otherwise reproduce any Confidential Information, and (f) promptly report any unauthorized disclosure or use of Confidential Information. Franchisee acknowledges that all Confidential Information is owned by Franchisor (except for Confidential Information which Franchisor licenses from another person or entity). This Section will survive the termination or expiration of this Agreement indefinitely.

13.2 Covenants Not to Compete.

(a) Restriction – In Term. During the term of this Agreement, neither Franchisee, any Owner, nor any spouse of an Owner (the "Restricted Parties") shall directly or indirectly have any ownership interest in, lend money or provide financial assistance to, provide any services to, or be employed by, any Competitor.

(b) Restriction – Post Term. For two years after this Agreement expires or is terminated for any reason (or, if applicable, for two years after a Transfer), no Restricted Party shall directly or indirectly have any ownership interest in, lend money or provide financial assistance to, provide any services to, or be employed by, any Competitor operating in the Territory or the territory of any other Velox Valuations business operating on the date of the expiration, termination or transfer, as applicable.

(c) Interpretation. The parties agree that each of the foregoing covenants is independent of any other covenant or provision of this Agreement. If all or any portion of the covenants in this

Section is held to be unenforceable or unreasonable by any court or arbitrator, then the parties intend that the court or arbitrator modify such restriction to the extent reasonably necessary to protect the legitimate business interests of Franchisor. Franchisee agrees that the existence of any claim it may have against Franchisor shall not constitute a defense to the enforcement by Franchisor of the covenants of this Section. If a Restricted Party fails to comply with the obligations under this Section during the restrictive period, then the restrictive period will be extended an additional day for each day of noncompliance.

13.3 General Manager and Key Employees. If requested by Franchisor, Franchisee will cause its general manager and other key employees to sign Franchisor's then-current form of confidentiality and non-compete agreement (unless prohibited by applicable law).

ARTICLE 14. DEFAULT AND TERMINATION

14.1 Termination by Franchisee. Franchisee may terminate this Agreement only if Franchisor violates a material provision of this Agreement and fails to cure or to make substantial progress toward curing the violation within 30 days after receiving written notice from Franchisee detailing the alleged default. Termination by Franchisee is effective 10 days after Franchisor receives written notice of termination.

14.2 Termination by Franchisor.

(a) Subject to 10-Day Cure Period. Franchisor may terminate this Agreement if Franchisee does not make any payment to Franchisor when due, or if Franchisee does not have sufficient funds in its account when Franchisor attempts an electronic funds withdrawal, and Franchisee fails to cure such non-payment within 10 days after Franchisor gives notice to Franchisee of such breach.

(b) Subject to 30-Day Cure Period. If Franchisee breaches this Agreement in any manner not described in subsection (a) or (c), and Franchisee fails to cure such breach to Franchisor's satisfaction within 30 days after Franchisor gives notice to Franchisee of such breach, then Franchisor may terminate this Agreement.

(c) Without Cure Period. Franchisor may terminate this Agreement by giving notice to Franchisee, without opportunity to cure, if any of the following occur:

- (i) Franchisee misrepresented or omitted material facts when applying to be a franchisee, or breaches any representation in this Agreement;
- (ii) Franchisee knowingly submits any false report or knowingly provides any other false information to Franchisor;
- (iii) a receiver or trustee for the Business or all or substantially all of Franchisee's property is appointed by any court, or Franchisee makes a general assignment for the benefit of Franchisee's creditors, or Franchisee is unable to pay its debts as they become due, or a levy or execution is made against the Business, or an attachment or lien remains on the Business for 30 days unless the attachment or lien is being duly contested in good faith by Franchisee, or a petition in bankruptcy is filed by

Franchisee, or such a petition is filed against or consented to by Franchisee and the petition is not dismissed within 45 days, or Franchisee is adjudicated as bankrupt;

- (iv) Franchisee fails to open for business by the date specified on the Summary Page;
- (v) Franchisee or any Owner commits a material violation of Section 7.2 (compliance with laws) or Section 13.1 (confidentiality), violates Section 13.2 (non-compete) or Article 15 (transfer), or commits any other violation of this Agreement which by its nature cannot be cured;
- (vi) Franchisee abandons or ceases operation of the Business for more than 3 consecutive days;
- (vii) Franchisee or any Owner slanders or libels Franchisor or any of its employees, directors, or officers;
- (viii) Franchisee refuses to cooperate with or permit any audit or evaluation by Franchisor or its agents or contractors, or otherwise fails to comply with Section 10.5 or Section 11.2.
- (ix) the Business is operated in a manner which, in Franchisor's reasonable judgment, constitutes a significant danger to the health or safety of any person, and Franchisee fails to cure such danger within 48 hours after becoming aware of the danger (due to notice from Franchisor or otherwise);
- (x) Franchisee has received two or more notices of default and Franchisee commits another breach of this Agreement, all in the same 12-month period;
- (xi) Franchisor (or any affiliate) terminates any other agreement with Franchisee (or any affiliate) due to the breach of such other agreement by Franchisee (or its affiliate);
- (xii) Franchisee or any Owner is charged with, pleads guilty or no-contest to, or is convicted of a felony; or
- (xiii) Franchisee or any Owner is accused by any governmental authority or third party of any act, or if Franchisee or any Owner commits any act or series of acts, that in Franchisor's opinion is reasonably likely to materially and unfavorably affect the Velox Valuations brand.

14.3 Effect of Termination. Upon termination or expiration of this Agreement, all obligations that by their terms or by reasonable implication survive termination or expiration, including those pertaining to non-competition, confidentiality, indemnity, and dispute resolution, will remain in effect, and Franchisee must immediately:

- (i) pay all amounts owed to Franchisor based on the operation of the Business through the effective date of termination or expiration;

- (ii) return to Franchisor all copies of the Manual, Confidential Information and any and all other materials provided by Franchisor to Franchisee or created by a third party for Franchisee relating to the operation of the Business, and all items containing any Marks, copyrights, and other proprietary items; and delete all Confidential Information and proprietary materials from electronic devices;
- (iii) notify the telephone, internet, email, electronic network, directory, and listing entities of the termination or expiration of Franchisee's right to use any numbers, addresses, domain names, locators, directories and listings associated with any of the Marks, and authorize their transfer to Franchisor or any new franchisee as may be directed by Franchisor, and Franchisee hereby irrevocably appoints Franchisor, with full power of substitution, as its true and lawful attorney-in-fact, which appointment is coupled with an interest; to execute such directions and authorizations as may be necessary or appropriate to accomplish the foregoing; and
- (iv) cease doing business under any of the Marks.

14.4 Remove Identification. If Franchisee operates from a Location other than Franchisee's home, then within 30 days after termination or expiration, Franchisee shall at its own expense "de-identify" the Location so that it no longer contains the Marks, signage, or any trade dress of a Velox Valuations business, to the reasonable satisfaction of Franchisor. Franchisee shall comply with any reasonable instructions and procedures of Franchisor for de-identification. If Franchisee fails to do so within 30 days after this Agreement expires or is terminated, Franchisor may enter the Location to remove the Marks and de-identify the Location. In this event, Franchisor will not be charged with trespass nor be accountable or required to pay for any assets removed or altered, or for any damage caused by Franchisor.

14.5 Liquidated Damages. If Franchisor terminates this Agreement based upon Franchisee's default (or if Franchisee purports to terminate this Agreement except as permitted under Section 14.1), then within 10 days thereafter Franchisee shall pay to Franchisor a lump sum (as liquidated damages and not as a penalty) calculated as follows: (x) the average Royalty Fees and Brand Fund Contributions that Franchisee owed to Franchisor under this Agreement for the 12-month period preceding the date on which Franchisee ceased operating the Business; multiplied by (y) the lesser of (1) 24 or (2) the number of months remaining in the then-current term of this Agreement. If Franchisee had not operated the Business for at least 12 months, then (x) will equal the average Royalty Fees and Brand Fund Contributions that Franchisee owed to Franchisor during the period that Franchisee operated the Business. The "average Royalty Fees and Brand Fund Contributions that Franchisee owed to Franchisor" shall not be discounted or adjusted due to any deferred or reduced Royalty Fees and Brand Fund Contributions set forth in an addendum to this Agreement, unless this Section 14.5 is specifically amended in such addendum. Franchisee acknowledges that a precise calculation of the full extent of Franchisor's damages under these circumstances is difficult to determine and the method of calculation of such damages as set forth in this Section is reasonable. Franchisee's payment to Franchisor under this Section will be in lieu of any direct monetary damages that Franchisor may incur as a result of Franchisor's loss of Royalty Fees and Brand Fund Contributions that would have been owed to Franchisor after the date of termination; however, such payment shall be in addition to all damages and other amounts arising under Section 14.3 and Section 14.4, Franchisor's right to injunctive relief for enforcement of Article 13, and

any attorneys' fees and other costs and expenses to which Franchisor is entitled under this Agreement. Except as provided in this Section, Franchisee's payment of this lump sum shall be in addition to any other right or remedy that Franchisor may have under this Agreement or otherwise.

14.6 Purchase Option. When this Agreement expires or is terminated, Franchisor will have the right (but not the obligation) to purchase any or all of the assets related to the Business. To exercise this option, Franchisor must notify Franchisee no later than 30 days after this Agreement expires or is terminated. The purchase price for all assets that Franchisor elects to purchase will be the lower of (i) the book value of such assets as declared on Franchisee's last filed tax returns or (ii) the fair market value of the assets. If the parties cannot agree on fair market value within 30 days after the exercise notice, the fair market value will be determined by an independent appraiser reasonably acceptable to both parties. The parties will equally share the cost of the appraisal. Franchisor's purchase will be of assets only (free and clear of all liens), and the purchase will not include any liabilities of Franchisee. The purchase price for assets will not include any factor or increment for any trademark or other commercial symbol used in the business, the value of any intangible assets, or any goodwill or "going concern" value for the Business. Franchisor may withdraw its exercise of the purchase option at any time before it pays for the assets. Franchisee will sign a bill of sale for the purchased assets and any other transfer documents reasonably requested by Franchisor. If Franchisor exercises the purchase option, Franchisor may deduct from the purchase price: (a) all amounts due from Franchisee; (b) Franchisee's portion of the cost of any appraisal conducted hereunder; and (c) amounts which Franchisor paid or will pay to third parties to satisfy indebtedness owed by Franchisee to third parties. If any of the assets are subject to a lien, Franchisor may pay a portion of the purchase price directly to the lienholder to pay off such lien. Franchisor may withhold 25% of the purchase price for 90 days to ensure that all of Franchisee's taxes and other liabilities are paid. Franchisor may assign this purchase option to another party.

ARTICLE 15. TRANSFERS

15.1 By Franchisor. Franchisor may transfer or assign this Agreement, or any of its rights or obligations under this Agreement, to any person or entity, and Franchisor may undergo a change in ownership and/or control, without the consent of Franchisee.

15.2 By Franchisee. Franchisee acknowledges that the rights and duties set forth in this Agreement are personal to Franchisee and that Franchisor entered into this Agreement in reliance on Franchisee's business skill, financial capacity, personal character, experience, and business ability. Accordingly, Franchisee shall not conduct or undergo a Transfer without providing Franchisor at least 60 days prior notice of the proposed Transfer, and without obtaining Franchisor's consent. In granting any such consent, Franchisor may impose conditions, including, without limitation, the following:

- (i) Franchisor receives a transfer fee equal to \$10,000 plus any broker fees and other out-of-pocket costs incurred by Franchisor;
- (ii) the proposed assignee and its owners have completed Franchisor's franchise application processes, meet Franchisor's then-applicable standards for new franchisees, and have been approved by Franchisor as franchisees;

- (iii) the proposed assignee is not a Competitor;
- (iv) the proposed assignee executes Franchisor's then-current form of franchise agreement and any related documents, which form may contain materially different provisions than this Agreement (provided, however, that the proposed assignee will not be required to pay an initial franchise fee);
- (v) all owners of the proposed assignee provide a guaranty in accordance with Section 2.5;
- (vi) Franchisee has paid all monetary obligations to Franchisor and its affiliates, and to any lessor, vendor, supplier, or lender to the Business, and Franchisee is not otherwise in default or breach of this Agreement or of any other obligation owed to Franchisor or its affiliates;
- (vii) the proposed assignee and its owners and employees undergo such training as Franchisor may require;
- (viii) Franchisee, its Owners, and the transferee and its owners execute a general release of Franchisor in a form satisfactory to Franchisor; and
- (ix) the Business fully complies with all of Franchisor's most recent System Standards.

15.3 Transfer for Convenience of Ownership. If Franchisee is an individual, Franchisee may Transfer this Agreement to a corporation or limited liability company formed for the convenience of ownership after at least 15 days' notice to Franchisor, if, prior to the Transfer: (1) the transferee provides the information required by Section 2.3; (2) Franchisee provides copies of the entity's charter documents, by-laws (or operating agreement) and similar documents, if requested by Franchisor, (3) Franchisee owns all voting securities of the corporation or limited liability company, and (4) Franchisee provides a guaranty in accordance with Section 2.5.

15.4 Transfer upon Death or Incapacity. Upon the death or incapacity of Franchisee (or, if Franchisee is an entity, the Owner with the largest ownership interest in Franchisee), the executor, administrator, or personal representative of that person must Transfer the Business to a third party approved by Franchisor (or to another person who was an Owner at the time of death or incapacity of the largest Owner) within nine months after death or incapacity. Such transfer must comply with Section 15.2.

15.5 Franchisor's Right of First Refusal. Before Franchisee (or any Owner) engages in a Transfer (except under Section 15.3, or to a co-Owner, or to a spouse, sibling, or child of an Owner), Franchisor will have a right of first refusal, as set forth in this Section. Franchisee (or its Owners) shall provide to Franchisor a copy of the terms and conditions of any Transfer. For a period of 30 days from the date of Franchisor's receipt of such copy, Franchisor will have the right, exercisable by notice to Franchisee, to purchase the assets subject of the proposed Transfer for the same price and on the same terms and conditions (except that Franchisor may substitute cash for any other form of payment). If Franchisor does not exercise its right of first refusal, Franchisee may proceed with the Transfer, subject to the other terms and conditions of this Article.

15.6 No Sublicense. Franchisee has no right to sublicense the Marks or any of Franchisee's rights under this Agreement.

15.7 No Lien on Agreement. Franchisee shall not grant a security interest in this Agreement to any person or entity. If Franchisee grants an "all assets" security interest to any lender or other secured party, Franchisee shall cause the secured party to expressly exempt this Agreement from the security interest.

ARTICLE 16. INDEMNITY

16.1 Indemnity. Franchisee shall indemnify and defend (with counsel reasonably acceptable to Franchisor) Franchisor, its parent entities, subsidiaries and affiliates, and their respective owners, directors, officers, employees, agents, successors and assignees (collectively, "Indemnitees") against all Losses in any Action by or against Franchisor and/or any Indemnatee directly or indirectly related to, or alleged to arise out of, the operation of the Business. Notwithstanding the foregoing, Franchisee shall not be obligated to indemnify an Indemnatee from Actions arising as a result of any Indemnatee's intentional misconduct or negligence. Any delay or failure by an Indemnatee to notify Franchisee of an Action shall not relieve Franchisee of its indemnity obligation except to the extent (if any) that such delay or failure materially prejudices Franchisee. Franchisee shall not settle an Action without the consent of the Indemnatee. This indemnity will continue in effect after this Agreement ends.

16.2 Assumption. An Indemnatee may elect to assume the defense of any Action subject to this indemnification and control all aspects of defending the Action (including negotiations and settlement), at Franchisee's expense. Such an undertaking shall not diminish Franchisee's obligation to indemnify the Indemnitees.

ARTICLE 17. DISPUTE RESOLUTION

17.1 Arbitration.

(a) Disputes Subject to Arbitration. Except as expressly provided in subsection (c) and (d), any controversy or claim between the parties (including any controversy or claim arising out of or relating to this Agreement or its formation, and including any question of arbitrability) shall be resolved by arbitration administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules, including the Optional Rules for Emergency Measures of Protection. Judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction.

(b) Location. The place of arbitration shall be the city and state where Franchisor's headquarters are located.

(c) Injunctive Relief. Either party may apply to the arbitrator seeking injunctive relief until the arbitration award is rendered or the controversy is otherwise resolved. Either party also may, without waiving any remedy or right to arbitrate under this Agreement, seek from any court having jurisdiction any interim or provisional injunctive relief.

(d) Intellectual Property Claims. Either party may bring a claim involving an alleged infringement of any of Franchisor's intellectual property rights in a court authorized to hear such claims under Section 17.5 of this Agreement.

(e) Confidentiality. All documents, information, and results pertaining to any arbitration or lawsuit will be confidential, except as required by law or as required for Franchisor to comply with laws and regulations applicable to the sale of franchises.

(f) Performance During Arbitration or Litigation. Unless this Agreement has been terminated, Franchisor and Franchisee will comply with this Agreement and perform their respective obligations under this Agreement during the arbitration or litigation process.

17.2 Damages. In any controversy or claim arising out of or relating to this Agreement, each party waives any right to punitive or other monetary damages not measured by the prevailing party's actual damages, except damages expressly authorized by federal statute and damages expressly authorized by this Agreement.

17.3 Waiver of Class Actions. ALL CLAIMS, CONTROVERSIES AND DISPUTES MAY ONLY BE BROUGHT BY THE FRANCHISEE ON AN INDIVIDUAL BASIS AND MAY NOT BE COMBINED OR CONSOLIDATED WITH ANY CLAIM, CONTROVERSY OR DISPUTE FOR OR ON BEHALF OF ANY OTHER FRANCHISEE OR BE PURSUED AS PART OF A CLASS ACTION.

17.4 Time Limitation. Any arbitration or other legal action arising from or related to this Agreement must be instituted within two years from the date such party discovers the conduct or event that forms the basis of the arbitration or other legal action. The foregoing time limit does not apply to claims (i) by one party related to non-payment under this Agreement by the other party, (ii) for indemnity under Article 16, or (iii) related to unauthorized use of Confidential Information or the Marks.

17.5 Venue Other Than Arbitration. For any legal proceeding not required to be submitted to arbitration, the parties agree that any such legal proceeding will be brought in the United States District Court where Franchisor's headquarters is then located. If there is no federal jurisdiction over the dispute, the parties agree that any such legal proceeding will be brought in the court of record of the state and county where Franchisor's headquarters is then located. Each party consents to the jurisdiction of such courts and waives any objection that it, he or she may have to the laying of venue of any proceeding in any of these courts.

17.6 Legal Costs. In any legal proceeding (including arbitration) related to this Agreement or any guaranty, the non-prevailing party shall pay the prevailing party's attorney fees, costs and other expenses of the legal proceeding. "Prevailing party" means the party, if any, which prevailed upon the central litigated issues and obtained substantial relief.

ARTICLE 18. MISCELLANEOUS

18.1 Relationship of the Parties. The parties are independent contractors, and neither is the agent, partner, joint venturer, or employee of the other. Franchisor is not a fiduciary of Franchisee. Franchisor does not control or have the right to control Franchisee or its Business. Any required

specifications and standards in this Agreement and in the System Standards exist to protect Franchisor's interest in the System and the Marks, and the goodwill established in them, and not for the purpose of establishing any control, or duty to take control, over the Business. Franchisor has no liability for Franchisee's obligations to any third party whatsoever.

18.2 No Third-Party Beneficiaries. This Agreement does not confer any rights or remedies upon any person or entity other than Franchisee, Franchisor, Franchisor's affiliates, and the Indemnitees.

18.3 Entire Agreement. This Agreement constitutes the entire agreement of the parties and supersedes all prior negotiations and representations. Nothing in this Agreement or in any related agreement is intended to disclaim the representations made by Franchisor in its franchise disclosure document.

18.4 Modification. No modification or amendment of this Agreement will be effective unless it is in writing and signed by both parties. This provision does not limit Franchisor's rights to modify the Manual or System Standards.

18.5 Consent; Waiver. No consent under this Agreement, and no waiver of satisfaction of a condition or nonperformance of an obligation under this Agreement will be effective unless it is in writing and signed by the party granting the consent or waiver. No waiver by a party of any right will affect the party's rights as to any subsequent exercise of that right or any other right. No delay, forbearance or omission by a party to exercise any right will constitute a waiver of such right.

18.6 Cumulative Remedies. Rights and remedies under this Agreement are cumulative. No enforcement of a right or remedy precludes the enforcement of any other right or remedy.

18.7 Severability. The parties intend that (i) if any provision of this Agreement is held by an arbitrator or court to be unenforceable, then that provision be modified to the minimum extent necessary to make it enforceable, unless that modification is not permitted by law, in which case that provision will be disregarded, and (ii) if an unenforceable provision is modified or disregarded, then the rest of this Agreement will remain in effect as written.

18.8 Governing Law. The laws of the state of Indiana (without giving effect to its principles of conflicts of law) govern all adversarial proceedings between the parties. The parties agree that any Indiana law for the protection of franchisees or business opportunity purchasers will not apply unless its jurisdictional requirements are met independently without reference to this Section 18.8.

18.9 Notices. Any notice will be effective under this Agreement only if made in writing and delivered as set forth in this Section to: (A) if to Franchisee, addressed to Franchisee at the notice address set forth in the Summary Page; and (B) if to Franchisor, addressed to 704 South State Road 135, STE D 393, Greenwood, IN 46143. Any party may designate a new address for notices by giving notice of the new address pursuant to this Section. Notices will be effective upon receipt (or first rejection) and must be: (1) delivered personally; (2) sent by registered or certified U.S. mail with return receipt requested; or (3) sent via overnight courier. Notwithstanding the foregoing, Franchisor may amend the Manual, give binding notice of changes to System Standards, and deliver notices of default by electronic mail or other electronic communication.

18.10 Holdover. If this Agreement expires without Franchisee properly exercising its renewal right and Franchisee continues to accept the benefits of this Agreement thereafter, then, at Franchisor' option, Franchisor may treat this Agreement either as (i) expired as of the date of expiration, with Franchisee then illegally operating a franchise in violation of Franchisor' rights; or (ii) continued on a month-to-month basis (the "Interim Period") until both parties agree to enter into Franchisor' then-current form of franchise agreement for a renewal term or until one party provides the other with written notice of termination, in which case the Interim Period will terminate 30 days after receipt of the notice of termination. In the latter case, all of Franchisee's obligations shall remain in full force and effect during the Interim Period as if this Agreement had not expired, except that Franchisor reserves the right to increase the Royalty Fee during the Interim Period by up to 2% of Gross Sales. All obligations and restrictions imposed on Franchisee upon expiration of this Agreement shall take effect upon termination of the Interim Period.

18.11 Joint and Several Liability. If two or more people sign this Agreement as "Franchisee", each will have joint and several liability.

18.12 No Offer and Acceptance. Delivery of a draft of this Agreement to Franchisee by Franchisor does not constitute an offer. This Agreement shall not be effective unless and until it is executed by both Franchisee and Franchisor.

Agreed to by:

FRANCHISOR:

FRANCHISE VELOX VALUATIONS LLC

By: _____

Name: _____

Title: _____

Date: _____

FRANCHISEE:

[if an individual:]

Name: _____

Date: _____

[if an entity:]

By: _____

Name: _____

Title: _____

Date: _____

By: _____

Name: _____

Title: _____

Date: _____

(Check if applicable) At the same time as the parties execute this Agreement, they are also executing a Rider to Franchise Agreement pursuant to:

_____ Illinois
_____ Indiana
_____ Maryland
_____ Minnesota
_____ New York
_____ North Dakota
_____ Rhode Island
_____ Washington
_____ Other

Attachment 1 to Franchise Agreement

OWNERSHIP INFORMATION

- 1. Form of Ownership.** Franchisee is a (check one):

_____ *Sole Proprietorship*
_____ *Partnership*
_____ *Limited Liability Company*
_____ *Corporation*

State: _____

- 2. Owners.** If Franchisee is a partnership, limited liability company or corporation:

Name	Shares or Percentage of Ownership

- 3. Officers.** If Franchisee is a limited liability company or corporation:

Name	Title

Attachment 2 to Franchise Agreement

GUARANTY AND NON-COMPETE AGREEMENT

This Guaranty and Non-Compete Agreement (this “Guaranty”) is executed by the undersigned person(s) (each, a “Guarantor”) in favor of Franchise Velox Valuations LLC, an Indiana limited liability company (“Franchisor”).

Background Statement: _____ (“Franchisee”) desires to enter into a Franchise Agreement with Franchisor for the franchise of a Velox Valuations business (the “Franchise Agreement”; capitalized terms used but not defined in this Guaranty have the meanings given in the Franchise Agreement). Guarantor owns an equity interest in Franchisee. Guarantor is executing this Guaranty in order to induce Franchisor to enter into the Franchise Agreement.

Guarantor agrees as follows:

1. Guaranty. Guarantor hereby unconditionally guarantees to Franchisor and its successors and assigns that Franchisee shall pay and perform every undertaking, agreement and covenant set forth in the Franchise Agreement and further guarantees every other liability and obligation of Franchisee to Franchisor, whether or not contained in the Franchise Agreement. Guarantor shall render any payment or performance required under the Franchise Agreement or any other agreement between Franchisee and Franchisor upon demand from Franchisor. Guarantor waives (a) acceptance and notice of acceptance by Franchisor of this Guaranty; (b) notice of demand for payment of any indebtedness or nonperformance of any obligations of Franchisee; (c) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed; (d) any right Guarantor may have to require that an action be brought against Franchisee or any other person or entity as a condition of liability hereunder; (e) all rights to payments and claims for reimbursement or subrogation which any of the undersigned may have against Franchisee arising as a result of the execution of and performance under this Guaranty by the undersigned; (f) any law which requires that Franchisor make demand upon, assert claims against or collect from Franchisee or any other person or entity (including any other guarantor), foreclose any security interest, sell collateral, exhaust any remedies or take any other action against Franchisee or any other person or entity (including any other guarantor) prior to making any demand upon, collecting from or taking any action against the undersigned with respect to this Guaranty; and (g) any and all other notices and legal or equitable defenses to which Guarantor may be entitled.

2. Confidential Information. With respect to all Confidential Information Guarantor shall (a) adhere to all security procedures prescribed by Franchisor for maintaining confidentiality, (b) disclose such information to its employees only to the extent necessary for the operation of the Business; (c) not use any such information in any other business or in any manner not specifically authorized or approved in writing by Franchisor, (d) exercise the highest degree of diligence and make every effort to maintain the confidentiality of all such information during and after the term of the Franchise Agreement, (e) not copy or otherwise reproduce any Confidential Information, and (f) promptly report any unauthorized disclosure or use of Confidential Information. Guarantor acknowledges that all Confidential Information is owned by Franchisor or its affiliates (except for Confidential Information which Franchisor licenses from another person or entity). Guarantor

acknowledges that all customer data generated or obtained by Guarantor is Confidential Information belonging to Franchisor. This Section will survive the termination or expiration of the Franchise Agreement indefinitely.

3. Covenants Not to Compete.

(a) Restriction - In Term. During the term of the Franchise Agreement, Guarantor shall not directly or indirectly have any ownership interest in, lend money or provide financial assistance to, provide any services to, or be employed by, any Competitor.

(b) Restriction – Post Term. For two years after the Franchise Agreement expires or is terminated for any reason (or, if applicable, for two years after a Transfer by Guarantor), Guarantor shall not directly or indirectly have any ownership interest in, lend money or provide financial assistance to, provide any services to, or be employed by, any Competitor operating in any of Franchisee's Territory or the territory of any other Velox Valuations business operating on the date of termination, expiration or transfer, as applicable.

(c) Interpretation. Guarantor agrees that each of the foregoing covenants is independent of any other covenant or provision of this Guaranty or the Franchise Agreement. If all or any portion of the covenants in this Section is held to be unenforceable or unreasonable by any court or arbitrator, then the parties intend that the court or arbitrator modify such restriction to the extent reasonably necessary to protect the legitimate business interests of Franchisor. Guarantor agrees that the existence of any claim it or Franchisee may have against Franchisor shall not constitute a defense to the enforcement by Franchisor of the covenants of this Section. If Guarantor fails to comply with the obligations under this Section during the restrictive period, then the restrictive period will be extended an additional day for each day of noncompliance.

4. Modification. Guarantor agrees that Guarantor's liability hereunder shall not be diminished, relieved or otherwise affected by (a) any amendment of the Franchise Agreement, (b) 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, or (c) the acceptance of any partial payment or performance or the compromise or release of any claims.

5. Governing Law; Dispute Resolution. This Guaranty shall be governed by and construed in accordance with the laws of the state of Indiana (without giving effect to its principles of conflicts of law). The parties agree that any Indiana law for the protection of franchisees or business opportunity purchasers will not apply unless its jurisdictional requirements are met independently without reference to this Section 6. The provisions of Article 17 (Dispute Resolution) of the Franchise Agreement apply to and are incorporated into this Guaranty as if fully set forth herein. Guarantor shall pay to Franchisor all costs incurred by Franchisor (including reasonable attorney fees) in enforcing this Guaranty. If multiple Guarantors sign this Guaranty, each will have joint and several liability.

Agreed to by:

Name: _____
Address: _____

Date: _____

Name: _____
Address: _____

Date: _____

Name: _____
Address: _____

Date: _____

**ACKNOWLEDGMENT ADDENDUM TO
VELOX VALUATIONS FRANCHISE AGREEMENT**

THIS ADDENDUM DOES NOT APPLY TO CANDIDATES LOCATED IN, OR FRANCHISED BUSINESSES TO BE LOCATED IN, ANY OF THE FOLLOWING FRANCHISE REGISTRATION STATES: CA, HI, IL, IN, MD, MI, MN, NY, ND, RI, SD, VA, WA, or WI.

As you know, you and we are entering into a Franchise Agreement for the operation of a VELOX VALUATIONS franchise. The purpose of this Acknowledgment Addendum is to determine whether any statements or promises were made to you that we have not authorized or that may be untrue, inaccurate or misleading. Please review each of the following statements carefully and confirm their accuracy or advise us of their inaccuracy.

Acknowledgments and Representations. I, the undersigned, hereby acknowledge and represent to Franchise Velox Valuations LLC, as follows:

1. I have received a copy of Franchise Velox Valuations LLC Franchise Disclosure Document (and all exhibits and attachments) (the “Disclosure Document”) at least fourteen calendar days prior to signing the Velox Valuations Franchise Agreement (the “Franchise Agreement”).

Please select one: ☐ I Agree ☐ I Disagree

If you disagree, please comment: _____

2. I have reviewed carefully the Disclosure Document and Franchise Agreement.

Please select one: ☐ I Agree ☐ I Disagree

If you disagree, please comment: _____

3. I understand all the information contained in both the Disclosure Document and Franchise Agreement.

Please select one: ☐ I Agree ☐ I Disagree

If you disagree, please comment: _____

4. No oral, written or visual claim or representation was made to me that contradicted the disclosures in the Disclosure Document.

Please select one: ☐ I Agree ☐ I Disagree

If you disagree, please comment: _____

5. Other than as expressly stated in Item 19 of the Disclosure Document, no employee or other person speaking on behalf of Franchise Velox Valuations LLC has made any oral,

written or visual claim, statement, promise or representation to me that stated, suggested, predicted or projected sales, revenues, expenses, earnings, income or profit levels at any VELOX VALUATIONS business, or the likelihood of success at my franchised business.

Please select one: ☐ **I Agree** ☐ **I Disagree**

If you disagree, please comment: _____

6. No employee or other person speaking on behalf of Franchise Velox Valuations LLC has made any statement or promise regarding the costs involved in operating a franchise that is not contained in the Disclosure Document or that is contrary to, or different from, the information contained in the Disclosure Document.

Please select one: ☐ **I Agree** ☐ **I Disagree**

If you disagree, please comment: _____

7. I acknowledge and agree that except for the right granted to me to operate a VELOX VALUATIONS within the Territory during the Franchise Agreement term so long as I am in compliance with the Franchise Agreement, Franchise Velox Valuations LLC and its affiliates reserve all other rights to the Marks and the System and they may engage in any activity whatsoever, whenever and wherever they desire, as set forth in the Franchise Agreement.

Please select one: ☐ **I Agree** ☐ **I Disagree**

If you disagree, please comment: _____

8. The Franchise Agreement together with the addenda and appendices thereto constitutes the entire agreement between me and Franchise Velox Valuations LLC concerning the franchise for the Velox Valuations Business and supersedes any and all prior negotiations, understandings, representations, and agreements, which means that any prior oral or written statements not set out in the Franchise Agreement or Disclosure Document will not be binding. However, nothing in the Franchise Agreement or any related agreement is intended to disclaim the representations Franchise Velox Valuations LLC made in the Disclosure Document it furnished to me.

Please select one: ☐ **I Agree** ☐ **I Disagree**

If you disagree, please comment: _____

9. I acknowledge and agree that in entering into the Franchise Agreement I have not relied on and am not relying on any representations, warranties or other statements whatsoever, whether written or oral other than those included in the Franchise Agreement and the Disclosure Document (including any exhibits, addenda, amendments and attachments) and that I will not have any right or remedy rising out of any representation, warranty or other statement not expressly set out in the Franchise Agreement and the Disclosure Document

(including any exhibits, addenda, amendments and attachments). I am entering into the Franchise Agreement as a result of my own independent investigation of the franchised business and not as a result of any representations about VELOX VALUATIONS system made by FRANCHISE VELOX VALUATIONS LLC's shareholders, officers, members, managers, directors, employees, agents, representatives, independent contractors, or franchisees that are contrary to the terms set forth in the Franchise Agreement or in any disclosure document given to me pursuant to applicable law.

Please select one: ☐ **I Agree** ☐ **I Disagree**

If you disagree, please comment: _____

10. I understand that the success or failure of my VELOX VALUATIONS Business will depend in large part upon my skills and experience, my business acumen, my location, the local market for products and services under the VELOX VALUATIONS trademarks, interest rates, the economy, inflation, taxes, the number of employees I hire and their compensation, the extent to which I follow established systems, policies and guidelines, the cost of capital and the extent to which I finance the business operations, my contractual arrangements with suppliers, landlord and professional advisors, competition and other economic and business factors. Further, I understand that the economic and business factors that exist at the time I open my VELOX VALUATIONS Business may change.

Please select one: ☐ **I Agree** ☐ **I Disagree**

If you disagree, please comment: _____

11. I understand that I am bound by the non-compete covenants (both in-term and post-term) and that an injunction is an appropriate remedy to protect the interest of the VELOX VALUATIONS system if I violate the covenant(s). Further, I understand that any actions in violation of the covenants by those holding any interest in the franchisee entity may result in an injunction, default and termination of the Franchise Agreement.

Please select one: ☐ **I Agree** ☐ **I Disagree**

If you disagree, please comment: _____

12. I understand that any training, support, guidance or tools Franchise Velox Valuations LLC provides to me as part of the franchise are for the sole purpose of protecting the Velox Valuations brand and Marks and the intellectual property associated with the System and to assist me in the operation of my business and not for the purpose of controlling or in any way intended to exercise or exert control over my decisions or day-to-day operations of my business, including my sole responsibility for the hiring, wages and other compensation (including benefits), training, supervision and termination of my employees and all other employment and employee related matters.

Please select one: ☐ **I Agree** ☐ **I Disagree**

If you disagree, please comment: _____

13. On the receipt pages of my Disclosure Document I identified

_____ as the franchise sellers involved in this franchise sales process (these are the company representatives who offered me my franchise). The franchise sellers identified above are the only franchise sellers involved with this transaction.

Please select one: ☐ I Agree ☐ I Disagree

If you disagree, please comment: _____

14. I have been advised to seek professional assistance, to have legal, financial and/or other professional advisors review the documents, and to consult with other franchise owners regarding the risks associated with the purchase of the franchise.

Please select one: ☐ I Agree ☐ I Disagree

If you disagree, please comment: _____

IF MORE SPACE IS NEEDED TO RESPOND TO ANY REPRESENTATION, CONTINUE ON A SEPARATE SHEET AND ATTACH.

I UNDERSTAND THAT MY ANSWERS ARE IMPORTANT AND THAT FRANCHISE VELOX VALUATIONS LLC WILL RELY ON THEM. BY SIGNING THIS ADDENDUM, I REPRESENT THAT I HAVE CONSIDERED EACH REPRESENTATION CAREFULLY AND RESPONDED FULLY AND TRUTHFULLY.

NOTE: IF THE RECIPIENT IS A CORPORATION, PARTNERSHIP, LIMITED LIABILITY COMPANY OR OTHER ENTITY, EACH OF ITS PRINCIPAL OWNERS MUST EXECUTE THIS ACKNOWLEDGMENT.

All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under any applicable law that prohibits releases, estoppels or waivers of liability under such law. Should one or more clauses of this Addendum be held void or unenforceable for any reason by any court of competent jurisdiction, such clause or clauses will be deemed to be separable in such jurisdiction and the remainder of this Addendum shall be valid and in full force and effect. **Do not sign** this Acknowledgement if you are a resident of Maryland or the franchise is to be operated in Maryland.

FRANCHISEE:

_____, individually

Date

EXHIBIT C

FORM OF GENERAL RELEASE

[This is our current standard form of General Release. This document is not signed when you purchase a franchise. In circumstances such as a renewal of your franchise or as a condition of our approval of a sale of your franchise, we may require you to sign a general release.]

This General Release (“Release”) is executed by the undersigned (“Releasor”) in favor of Franchise Velox Valuations LLC, an Indiana Limited Liability Company (“Franchisor”).

Background Statement: [describe circumstances of Release]

Releasor agrees as follows:

- 1. Release.** Releasor (on behalf of itself and its parents, subsidiaries and affiliates and their respective past and present officers, directors, shareholders, managers, members, partners, agents, and employees (collectively, the “Releasing Parties”)) hereby releases Franchisor, its affiliates, and their respective directors, officers, shareholders, employees, and agents (collectively, the “Released Parties”) from any and all claims, causes of action, suits, debts, agreements, promises, demands, liabilities, contractual rights and/or obligations, of whatever nature, known or unknown, which any Releasing Party now has or ever had against any Released Party based upon and/or arising out of events that occurred through the date hereof, including without limitation, anything arising out of the Franchise Agreement (collectively, “Claims”).
- 2. Covenant Not to Sue.** Releasor (on behalf of all Releasing Parties) covenants not to initiate, prosecute, encourage, assist, or (except as required by law) participate in any civil, criminal, or administrative proceeding or investigation in any court, agency, or other forum, either affirmatively or by way of cross-claim, defense, or counterclaim, against any Released Party with respect to any Claim.
- 3. Representations and Acknowledgments.** Releasor represents and warrants that: (i) Releasor is the sole owner of all Claims, and that no Releasing Party has assigned or transferred, or purported to assign or transfer, to any person or entity, any Claim; (ii) Releasor has full power and authority to sign this Release; and (iii) this Release has been voluntarily and knowingly signed after Releasor has had the opportunity to consult with counsel of Releasor’s choice. Releasor acknowledges that the release in Section 1 is a complete defense to any Claim.
- 4. Miscellaneous.** If any of the provisions of this Release are held invalid for any reason, the remainder of this Release will not be affected and will remain in full force and effect. In the event of any dispute concerning this Release, the dispute resolution, governing law, and venue provisions of the Franchise Agreement shall apply. Releasor agrees to take any actions and sign any documents that Franchisor reasonably requests to effectuate the purposes of this Release. This Release contains the entire agreement of the parties concerning the subject matter hereof. This Release shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

Agreed to by:

Name: _____

Date: _____

*This General Release does not apply with respect to claims arising under the Washington Franchise Investment Protection Act, RCW 19.100, or the rules adopted thereunder.

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EXHIBIT D

FINANCIAL STATEMENTS

**FRANCHISE VELOX VALUATIONS LLC
FINANCIAL STATEMENTS
DECEMBER 31, 2024**

FRANCHISE VELOX VALUATION LLC.
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Balance Sheets	Page 3
Statements of Operations and Shareholders' Equity (Deficit)	Page 4
Statements of Cash Flows	Page 5
Footnotes	Page 6-7

MUHAMMAD ZUBAIRY, CPA PC
Certified Public Accountant
646.327.7013

INDEPENDENT AUDITOR'S REPORT

**To the Shareholders of
Franchise Velox Valuations LLC**

Opinion

We have audited the financial statements of Franchise Velox Valuations LLC, which comprises the balance sheets as of December 31, 2024, and the related statement of operations, and changes in shareholders' equity (deficit), and cash flows for the period then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of Franchise Velox Valuations LLC as of December 31, 2024, 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 audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Franchise Velox Valuations LLC, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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 Franchise Velox Valuations LLC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

Exercise professional judgment and maintain professional skepticism throughout the audit.

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

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Franchise Velox Valuations 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 Franchise Velox Valuations 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.

A handwritten signature in blue ink, appearing to read 'Muhammad', with a horizontal line underneath.

Muhammad Zubairy, CPA PC
Westbury, NY
July 25, 2025

**FRANCHISE VELOX VALUATIONS LLC.
BALANCE SHEET
FOR THE YEAR ENDED DECEMBER 31, 2024**

ASSETS

Current Assets

Cash	\$ 60,405
Accounts receivable	7,365
Total Current Assets	<u>67,770</u>

Total Assets	<u>\$ 67,770</u>
--------------	------------------

LIABILITITES AND MEMBERS' EQUITY

Current Liabilities

Accounts payables and accrued expenses	\$ 822
Contract liabilities	750
Total Current Liabilities	<u>1,572</u>

Contract liabilities, net of current	<u>6,750</u>
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Members' Equity	<u>59,448</u>
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Total Liabilities and Members' Equity	<u>\$ 67,770</u>
---------------------------------------	------------------

See notes to financial statements

FRANCHISE VELOX VALUATIONS LLC.
STATEMENTS OF OPERATIONS AND MEMBERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2024

Revenues	
Royalties	\$ 3,224
Franchise Fees	7,500
Marketing Fees	645
Other income	241
Total Revenues	<u>11,610</u>
 Operating Expenses	 <u>2,162</u>
 Net Income	 <u>9,448</u>
 Members' Equity-Beginning	 —
 Members' Contributions (Distributions)	 50,000
 Members' Equity (Deficit)-Ending	 <u><u>\$ 59,448</u></u>

See notes to financial statements

FRANCHISE VELOX VALUATIONS LLC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024

Cash flows from operating activities:	
Net (Income)	\$ 9,448
Adjustments to reconcile net (loss) to net cash	
Changes in operating assets and liabilities:	
Accounts receivables	(7,365)
Accounts payables and accrued expenses	822
Contract liabilities	7,500
	<u>10,405</u>
Cash flows from financing activities	
Members' contributions (distributions)	<u>50,000</u>
Net Increase in Cash	<u>60,405</u>
Cash - Beginning of Year	—
Cash - End of year	<u>\$ 60,405</u>

See notes to financial statements

FRANCHISE VELOX VALUATIONS LLC.

NOTES TO FINANCIAL STATEMENTS

1. THE COMPANY

Franchise Velox Valuations LLC. is a Indiana Limited Liability Company formed in April 2024. The company offers franchisees to develop and operate a business offering real estate appraisals and other valuation services to a diverse client base including but not limited to, lenders, attorneys, appraisal management companies and private homeowners, under the trade name Velox Valuations.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting-The accompanying financial statements have been prepared on an accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. Under the accrual method, revenues are recognized when earned and expenses are recognized when a liability is incurred, without regard to disbursement of cash.

Franchise Arrangements-The Company's franchise arrangements generally include a license which provides for payments of initial fees as well as continuing royalties to the Company based upon a percentage of sales. Under this arrangement, franchisees are granted the right to operate for a specified number of years.

Concentration of Credit Risk-Financial instruments that potentially expose the Company to concentration of credit risk primarily consist of cash and cash equivalents. The balances in the Company's cash accounts did not exceed the Federal Deposit Insurance Company's (FDIC) insurance limit of \$250,000. The Company maintains its cash and cash equivalents with accredited financial institutions.

Use of Estimates-The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the 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. Actual results could differ from those estimates.

Taxes on Income- The Company's entity was organized as a limited liability company. Accordingly, under the internal revenue code, all taxable income or loss flows through to its member. Therefore, no income tax expense or liability is recorded in the accompanying financial statements.

3. REVENUE RECOGNITION

The Company will record revenue in accordance Accounting Standards Board ("FASB") and Accounting Standards Update ("ASU") No. 2014-09, Revenue from Contracts with Customers (Topic 606). The transaction price attributable to performance obligations will be recognized as the performance obligations are satisfied. The portion of the franchise fee, if any, that is not attributable to a distinct performance obligation will be amortized over the life of the related franchise agreements. Commissions paid for franchises will be amortized over the life of the franchise agreement.

4. CONTRACT LIABILITIES

In compliance with the Financial Accounting Standards Board ("FASB") new accounting standards for revenue recognition ("Topic 606"), the Partnership records its non-refundable franchise fees, net of amounts earned based on allowable direct services, as deferred revenues, to be recognized over the life of the franchise agreement. The non-refundable franchise fees received but not yet earned as of December 31, 2024 was \$7,500.

5. SUBSEQUENT EVENTS

The Company evaluates events that have occurred after the balance sheet date but before the financial statements are issued. Based upon the evaluation, the Company did not identify any recognized or non-recognized subsequent events that would have required further adjustment or disclosure in the financial statements. Subsequent events have been evaluated through July 25, 2025, the date the financial statements were available to be issued.

EXHIBIT E

BRAND STANDARDS MANUAL TABLE OF CONTENTS



Manual Section	Number of Pages
Preface & Introduction	35
Establishing My Franchise Business	37
Personnel	43
Administrative Procedures	25
Daily Procedures	41
Selling & Marketing	22
Total Number of Pages	203

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EXHIBIT F

CURRENT AND FORMER FRANCHISEES

Current Franchisees

Names of all current franchisees (as of the end of our last fiscal year) and the address and telephone number of each of their outlets:

Note: This list is arranged alphabetically by state and then alphabetically by cities in each state.

Territory State	Franchisee / Principal Owner	Phone Number	Address	City, State, Zip Code
TX	Casey Mann	682-394-4895	3304 Country Club Rd	Pantego, TX 76013

Former Franchisees

Name, city and state, and current business telephone number, or if unknown, the last known home telephone number of every franchisee who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during the most recently completed fiscal year or who have not communicated with us within 10 weeks of the disclosure document issuance date:

None.

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EXHIBIT G
FORM OF PROMISSORY NOTE

PROMISSORY NOTE

DATE: _____

DEBTOR: _____

DEBTOR'S ADDRESS: _____

FRANCHISOR: FRANCHISE VELOX VALUATIONS LLC, an Indiana limited liability company, or its successors or assigns

FRANCHISOR'S ADDRESS: 704 South State Road 135, STE D 393, Greenwood, IN 46143

PRINCIPAL: _____ AND 00/100 DOLLARS (\$____.____)

INTEREST: six percent (6%) per annum or the maximum legal rate of interest, whichever is less, on the outstanding loan amount.

MATURITY DATE: _____

1. For value received, Debtor promises to pay to Franchisor the principal with interest on the outstanding principal. Interest shall commence with the date of funding and shall be computed on the basis of a year of 365 days for the actual number of days elapsed. The principal and accrued interest on this note (the "Note") shall be due and payable in monthly installments of _____ and 00/100 Dollars (\$____.____) each, beginning on _____ and continuing on the first day of each month thereafter until the Maturity Date, on which date the entire principal balance, any accrued, unpaid interest and all other amounts payable under this Note are due in full. All payments of interest and principal shall be in lawful money of the United States of America. All payments shall be applied first to accrued expenses due under this Note, next to interest and thereafter to principal. Debtor may prepay this Note at any time prior to the Maturity Date.
2. The occurrence of any one or more of the following shall constitute an "Event of Default":
 - (a) Debtor fails to pay timely any of the principal amount due hereunder on the date the same becomes due and payable or any accrued interest or other amounts due hereunder on the date the same becomes due and payable;
 - (b) Debtor (i) files any petition or action for relief under any bankruptcy, reorganization, insolvency or moratorium law or any other law for the relief of, or relating to, debtors, now or hereafter in effect; (ii) makes any assignment for the benefit of creditors or takes any corporate action in furtherance of any of the foregoing; (iii) applies for or consents to the appointment of a receiver, trustee, liquidator or custodian of itself or of all or a substantial part of its property; (iv) is unable, or admits in writing its inability, to pay its debts generally as they mature, (v) is dissolved or liquidated; (vi) becomes insolvent (as such term may be defined or interpreted under any applicable statute); or (vii) takes any action for the purpose of effecting any of the foregoing; or
 - (c) an involuntary petition is filed against Debtor (unless such petition is dismissed or discharged within thirty (30) days under any bankruptcy statute now or hereafter in effect) or a custodian, receiver, trustee, assignee for the benefit of creditors (or other similar official) is appointed to take possession, custody or control of any property of Debtor.

3. Upon the occurrence or existence of any Event of Default under clause 2(a) and at any time thereafter during the continuance of such Event of Default, Franchisor may, by written notice to Debtor, declare all outstanding principal and accrued interest on this Note immediately due and payable without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived. Upon the occurrence or existence of any Event of Default described in clause 2(b) or 2(c), immediately and without notice, all outstanding principal and interest on this Note shall automatically become immediately due and payable, without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived.
4. Debtor hereby waives notice of default, presentment or demand for payment, protest or notice of nonpayment or dishonor and all other notices or demands relative to this Note. If action is instituted to collect this Note, Debtor promises to pay all costs and expenses, including, without limitation, reasonable attorneys' fees and costs, incurred in connection with such action. This Note shall be governed by and construed under the laws of the State of Indiana without giving effect to conflicts of laws principles. Any term of this Note may be amended or waived with the written consent of Debtor and Franchisor.

IN WITNESS WHEREOF, Debtor and Franchisor have caused this Note to be executed as of the date first written above.

DEBTOR:

By: _____

Name: _____

Title: _____

FRANCHISOR:

By: _____

Name: _____

Title: _____

EXHIBIT H

STATE ADDENDA TO DISCLOSURE DOCUMENT AND FRANCHISE AGREEMENT

CALIFORNIA ADDENDUM TO DISCLOSURE DOCUMENT

CALIFORNIA CORPORATIONS CODE, SECTION 31125 REQUIRES THE FRANCHISOR TO GIVE THE FRANCHISEE A DISCLOSURE DOCUMENT, APPROVED BY THE COMMISSIONER OF FINANCIAL PROTECTION & INNOVATION, PRIOR TO A SOLICITATION OF A PROPOSED MATERIAL MODIFICATION OF AN EXISTING FRANCHISE AGREEMENT.

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 OFFERING CIRCULAR.

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT www.dfpi.ca.gov.

THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF CALIFORNIA. SUCH REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF FINANCIAL PROTECTION & INNOVATION NOR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

ALL THE OWNERS OF THE FRANCHISE WILL BE REQUIRED TO EXECUTE PERSONAL GUARANTEES. THIS REQUIREMENT PLACES THE MARITAL ASSETS OF THE SPOUSES DOMICILED IN COMMUNITY PROPERTY STATES – ARIZONA, CALIFORNIA, IDAHO, LOUISIANA, NEVADA, NEW MEXICO, TEXAS, WASHINGTON AND WISCONSIN AT RISK IF YOUR FRANCHISE FAILS.

1. The following paragraph is added to the end of Item 3 of the Disclosure Document:

Neither franchisor nor any person or franchise broker in Item 2 of this disclosure document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in that association or exchange.

2. The following paragraph is added to the end of Item 5 of the Disclosure Document:

The Department has determined that we, the franchisor, have not demonstrated we are adequately capitalized and/or that we must rely on franchise fees to fund our operations. The Commissioner has imposed a fee deferral condition, which requires that we defer the collection of all initial fees from California franchisees until we have completed all of our pre-opening obligations and you are open for business. For California franchisees who

sign a development agreement, the payment of the development and initial fees attributable to a specific unit in your development schedule is deferred until that unit is open.

3. The following paragraph is added to the end of Item 6 of the Disclosure Document:

With respect to the Late Fee described in Item 6, this Item is amended to disclose that the maximum rate of interest permitted under California law is 10%.

4. The following paragraphs are added at the end of Item 17 of the Disclosure Document:

The Franchise Agreement requires franchisee to sign a general release of claims upon renewal or transfer of the Franchise Agreement. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring a franchise to waive compliance with any provision of that law or any rule or order thereunder is void.

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

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

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

The Franchise Agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

The Franchise Agreement requires binding arbitration. The arbitration will occur in Greenwood, Indiana, with the costs being borne equally by Franchisor and Franchisee. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

The Franchise Agreement requires application of the laws of Indiana. This provision may not be enforceable under California law.

California's Franchise Investment Law (Corporations Code sections 31512 and 31512.1) states that any provision of a franchise agreement or related document requiring the franchisee to waive specific provisions of the law is contrary to public policy and is void and unenforceable. The law also prohibits a franchisor from disclaiming or denying (i) representations it, its employees, or its agents make to you, (ii) your ability to rely on any representations it makes to you, or (iii) any violations of the law.

Registration of this franchise does not constitute approval, recommendation, or endorsement by the Commissioner of the Department of Financial Protection and Innovation.

No disclaimer, questionnaire, clause, or statement signed by a franchisee in connection with the commencement of the franchise relationship shall be construed or interpreted as waiving any claim of fraud in the inducement, whether common law or statutory, or as disclaiming reliance on or the right to rely upon any statement made or information provided by any franchisor, broker or other person acting on behalf of the franchisor that was a material inducement to a franchisee's investment. This provision supersedes any other or inconsistent term of any document executed in connection with the franchise.

ILLINOIS ADDENDUM TO DISCLOSURE DOCUMENT

In recognition of the requirements of the Illinois Franchise Disclosure Act of 1987, as amended (the “Act”), this Disclosure Document is amended as follows:

Illinois law governs the agreements between the parties to this franchise.

Section 4 of the Act provides that any provision in a franchise agreement that designates jurisdiction of venue outside the State of Illinois is void. However, a franchise agreement may provide for arbitration outside of Illinois.

Section 41 of the Act provides that any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with the Act or any other law of Illinois is void.

Your rights upon termination and non-renewal of a franchise agreement are set forth in sections 19 and 20 of the Act.

By reading this disclosure document, you are not agreeing to, acknowledging, or making any representations whatsoever to the Franchisor and its affiliates.

Item 5: Franchisor will defer the payment of initial franchise fees until Franchisor has satisfied its pre-opening obligations to Franchisee and the Franchisee has commenced business operations. The Illinois Attorney General’s Office imposed this deferral requirement due to Franchisor’s financial condition.

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.

MARYLAND ADDENDUM TO DISCLOSURE DOCUMENT

In the State of Maryland only, this Disclosure Document is amended as follows:

The following is added to Item 5: Based upon the Franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the Franchisor completes its pre-opening obligations under the franchise agreement.

The following is added to Item 17:

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

Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

You have the right to file a lawsuit alleging a cause of action arising under the Maryland Franchise Law in any court of competent jurisdiction in the State of Maryland.

The Franchise Agreement provides for termination upon bankruptcy of the franchisee. This provision may not be enforceable under federal bankruptcy law.

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.

MINNESOTA ADDENDUM TO DISCLOSURE DOCUMENT

In the State of Minnesota only, this Disclosure Document is amended as follows:

- Minnesota Statutes, Section 80C.21 and Minnesota Rules 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or 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 to not 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, which states "No action may be commenced pursuant to this Section more than three years after the cause of action accrues."

No disclaimer, questionnaire, clause, or statement signed by a franchisee in connection with the commencement of the franchise relationship shall be construed or interpreted as waiving any claim of fraud in the inducement, whether common law or statutory, or as disclaiming reliance on or the right to rely upon any statement made or information provided by any franchisor, broker or other person acting on behalf of the franchisor that was a material inducement to a franchisee's investment. This provision supersedes any other or inconsistent term of any document executed in connection with the franchise.

NEW YORK ADDENDUM TO DISCLOSURE DOCUMENT

In the State of New York only, this Disclosure Document is amended as follows:

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

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 28 LIBERTY ST. 21ST FLOOR, NEW YORK, NY 10005. 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 WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

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

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

A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.

B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10 year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

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

Neither the franchisor, its affiliate, its predecessor, officers, or general partner during the 10-year period immediately before the date of the offering circular: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after that officer or general partner of the franchisor held this position in the company or partnership.

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

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

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

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

6. The following language replaces the “Summary” section of Item 17(d), titled **“Termination by franchisee”**:

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

7. The following is added to the end of the “Summary” section of Item 17(j), titled **“Assignment of contract by franchisor”**:

However, no assignment will be made except to an assignee who in good faith and judgment of the franchisor, is willing and financially able to assume the franchisor's obligations under the Franchise Agreement.

8. The following is added to the end of the "Summary" sections of Item 17(v), titled "**Choice of forum**", and Item 17(w), titled "**Choice of law**": The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.

RHODE ISLAND ADDENDUM TO DISCLOSURE DOCUMENT

In the State of Rhode Island only, this Disclosure Document is amended as follows:

Item 17, summary columns for (v) and (w) are amended to add the following:

Any provision in the franchise agreement restricting jurisdiction or venue to a forum outside Rhode Island or requiring the application of the laws of a state other than Rhode Island is void as to a claim otherwise enforceable under the Rhode Island Franchise Investment Act.

VIRGINIA ADDENDUM TO DISCLOSURE DOCUMENT

In the Commonwealth of Virginia only, this Disclosure Document is amended as follows:

The following statements are added to Item 17(h):

Under 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 do 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.

Under 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 the franchisee under the franchise, that provision may not be enforceable.

No disclaimer, questionnaire, clause, or statement signed by a franchisee in connection with the commencement of the franchise relationship shall be construed or interpreted as waiving any claim of fraud in the inducement, whether common law or statutory, or as disclaiming reliance on or the right to rely upon any statement made or information provided by any franchisor, broker or other person acting on behalf of the franchisor that was a material inducement to a franchisee’s investment. This provision supersedes any other or inconsistent term of any document executed in connection with the franchise.

WASHINGTON ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document, the franchise agreement, and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

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

2. **Franchisee Bill of Rights.** RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.

3. **Site of Arbitration, Mediation, and/or Litigation.** In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

4. **General Release.** A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in 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. **Financial Incentives.** Franchisees who receive financial incentives to refer franchise prospects to franchisors may be required to register as franchise brokers under the laws of Washington.

20. **Financial Assurance (Item 5).** The franchisor will defer collection of the initial franchise fee until the franchisor has fulfilled its initial pre-opening obligations to the franchisee and the franchisee is open for business.

STATE ADDENDA TO FRANCHISE AGREEMENT

ILLINOIS RIDER TO FRANCHISE AGREEMENT

This Rider amends the Franchise Agreement dated _____ (the “Franchise Agreement”), between Franchise Velox Valuations LLC, an Indiana Limited Liability Company (“Franchisor”) and _____, a _____ (“Franchisee” or “you”).

Notwithstanding any provision of the Franchise Agreement to the contrary, the Franchise Agreement is amended as follows:

- a. Franchisor will defer the payment of initial franchise fees until Franchisor has satisfied its pre-opening obligations to Franchisee and the Franchisee has commenced business operations. The Illinois Attorney General’s Office imposed this deferral requirement due to Franchisor’s financial condition.
- b. Illinois law governs the Franchise Agreement.
- c. 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.
- d. 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.
- e. 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.

Agreed to by:

FRANCHISOR:
FRANCHISE VELOX VALUATIONS LLC

FRANCHISEE:

By: _____
Name: _____
Title: _____
Date: _____

By: _____
Name: _____
Title: _____
Date: _____

INDIANA RIDER TO FRANCHISE AGREEMENT

This Rider amends the Franchise Agreement dated _____ (the “Agreement”), between Franchise Velox Valuations LLC, an Indiana Limited Liability Company (“Franchisor”) and _____, a _____ (“Franchisee”).

1. Definitions. Capitalized terms used but not defined in this Rider have the meanings given in the Agreement. The “Indiana Acts” means the Indiana Franchise Act and the Indiana Deceptive Franchise Practices Act.

2. Certain Provisions Modified. Any provision of the Agreement which would have any of the following effects is hereby modified to the extent required for the Agreement to be in compliance with the Indiana Acts:

(1) Requiring goods, supplies, inventories, or services to be purchased exclusively from the franchisor or sources designated by the franchisor where such goods, supplies, inventories, or services of comparable quality are available from sources other than those designated by the franchisor. However, the publication by the franchisor of a list of approved suppliers of goods, supplies, inventories, or services or the requirement that such goods, supplies, inventories, or services comply with specifications and standards prescribed by the franchisor does not constitute designation of a source nor does a reasonable right of the franchisor to disapprove a supplier constitute a designation. This subdivision does not apply to the principal goods, supplies, inventories, or services manufactured or trademarked by the franchisor.

(2) Allowing the franchisor to establish a franchisor-owned outlet engaged in a substantially identical business to that of the franchisee within the exclusive territory granted the franchisee by the franchise agreement; or, if no exclusive territory is designated, permitting the franchisor to compete unfairly with the franchisee within a reasonable area.

(3) Allowing substantial modification of the franchise agreement by the franchisor without the consent in writing of the franchisee.

(4) Allowing the franchisor to obtain money, goods, services, or any other benefit from any other person with whom the franchisee does business, on account of, or in relation to, the transaction between the franchisee and the other person, other than for compensation for services rendered by the franchisor, unless the benefit is promptly accounted for, and transmitted to the franchisee.

(5) Requiring the franchisee to prospectively assent to a release, assignment, novation, waiver, or estoppel which purports to relieve any person from liability to be imposed by the Indiana Deceptive Franchise Practices Act or requiring any controversy between the franchisee and the franchisor to be referred to any person, if referral would be binding on the franchisee. This subsection (5) does not apply to arbitration before an independent arbitrator.

(6) Allowing for an increase in prices of goods provided by the franchisor which the franchisee had ordered for private retail consumers prior to the franchisee's receipt of an official price increase notification. A sales contract signed by a private retail consumer shall constitute evidence of each

order. Price changes applicable to new models of a product at the time of introduction of such new models shall not be considered a price increase. Price increases caused by conformity to a state or federal law, or the revaluation of the United States dollar in the case of foreign-made goods, are not subject to this subsection (6).

(7) Permitting unilateral termination of the franchise if such termination is without good cause or in bad faith. Good cause within the meaning of this subsection (7) includes any material violation of the franchise agreement.

(8) Permitting the franchisor to fail to renew a franchise without good cause or in bad faith. This chapter shall not prohibit a franchise agreement from providing that the agreement is not renewable upon expiration or that the agreement is renewable if the franchisee meets certain conditions specified in the agreement.

(9) Requiring a franchisee to covenant not to compete with the franchisor for a period longer than three years or in an area greater than the exclusive area granted by the franchise agreement or, in absence of such a provision in the agreement, an area of reasonable size, upon termination of or failure to renew the franchise.

(10) Limiting litigation brought for breach of the agreement in any manner whatsoever.

(11) Requiring the franchisee to participate in any (A) advertising campaign or contest; (B) promotional campaign; (C) promotional materials; or (D) display decorations or materials; at an expense to the franchisee that is indeterminate, determined by a third party, or determined by a formula, unless the franchise agreement specifies the maximum percentage of gross monthly sales or the maximum absolute sum that the franchisee may be required to pay.

3. Effective Date. This Rider is effective as of the Effective Date.

Agreed to by:

FRANCHISOR:

FRANCHISEE:

FRANCHISE VELOX VALUATIONS LLC

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

MARYLAND RIDER TO FRANCHISE AGREEMENT

This Rider amends the Franchise Agreement dated _____ (the “Agreement”), between Franchise Velox Valuations LLC, an Indiana Limited Liability Company (“Franchisor”) and _____, a _____ (“Franchisee”).

1. Definitions. Capitalized terms used but not defined in this Rider have the meanings given in the Agreement. The “Maryland Franchise Law” means the Maryland Franchise Registration and Disclosure Law, Business Regulation Article, §14-206, Annotated Code of Maryland.

2. Releases, Estoppels and Waivers of Liability. All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Law.

3. Statute of Limitations. Any provision of the Agreement which provides for a period of limitations for causes of action shall not apply to causes of action under the Maryland Franchise Law, Business Regulation Article, §14-227, Annotated Code of Maryland. Franchisee must bring an action under such law within three years after the grant of the franchise.

4. Jurisdiction. Franchisee does not waive its right to file a lawsuit alleging a cause of action arising under the Maryland Franchise Law in any court of competent jurisdiction in the State of Maryland.

5. Section 4.1, **Initial Franchise Fee**, is amended by adding the following language at the end of the section:

“Based upon the Franchisor’s financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the Franchisor completes its pre-opening obligations under the franchise agreement.”

6. 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.

7. Effective Date. This Rider is effective as of the Effective Date.

Agreed to by:

FRANCHISOR:

FRANCHISEE:

FRANCHISE VELOX VALUATIONS LLC

By: _____

Name: _____

By: _____

Name: _____

Title: _____
Date: _____

Title: _____
Date: _____

MINNESOTA RIDER TO FRANCHISE AGREEMENT

This Rider amends the Franchise Agreement dated _____ (the “Agreement”), between Franchise Velox Valuations LLC, an Indiana Limited Liability Company (“Franchisor”) and _____, a _____ (“Franchisee”).

1. Definitions. Capitalized terms used but not defined in this Rider have the meanings given in the Agreement. The “Minnesota Act” means Minnesota Statutes, Sections 80C.01 to 80C.22.

2. Amendments. The Agreement is amended to comply with the following:

- Minnesota Statutes, Section 80C.21 and Minnesota Rules 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or 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 to not 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, and therefore the applicable provision of the Agreement is amended to state “No action may be commenced pursuant to Minnesota Statutes, Section 80C.17 more than three years after the cause of action accrues.”
- No disclaimer, questionnaire, clause, or statement signed by a franchisee in connection with the commencement of the franchise relationship shall be construed or interpreted as waiving any claim of fraud in the inducement, whether common law or statutory, or as disclaiming reliance on or the right to rely upon any statement made or information

provided by any franchisor, broker or other person acting on behalf of the franchisor that was a material inducement to a franchisee's investment. This provision supersedes any other or inconsistent term of any document executed in connection with the franchise.

3. Effective Date. This Rider is effective as of the Effective Date.

Agreed to by:

FRANCHISOR:

FRANCHISEE:

FRANCHISE VELOX VALUATIONS LLC

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

NEW YORK RIDER TO FRANCHISE AGREEMENT

This Rider amends the Franchise Agreement dated _____ (the “Agreement”), between Franchise Velox Valuations LLC, an Indiana Limited Liability Company (“Franchisor”) and _____, a _____ (“Franchisee”).

1. **Definitions.** Capitalized terms used but not defined in this Rider have the meanings given in the Agreement.
2. **Waivers.** To the extent required by applicable law, all rights Franchisee enjoys and any causes of action arising in its favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.
4. **Termination.** Franchisee may terminate the Agreement on any grounds available by law.
5. **Transfers by Franchisor.** To the extent required by applicable law, no assignment by Franchisor will be made except to an assignee that, in Franchisor’s good faith and judgment, is willing and financially able to assume Franchisor’s obligations under the Agreement.
6. **Governing Law.** Notwithstanding any provision of the Agreement to the contrary, nothing in the Agreement should 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.
5. **Effective Date.** This Rider is effective as of the Effective Date.

Agreed to by:

FRANCHISOR:

FRANCHISEE:

FRANCHISE VELOX VALUATIONS LLC

By: _____

Name: _____

Title: _____

Date: _____

By: _____

Name: _____

Title: _____

Date: _____

RHODE ISLAND RIDER TO FRANCHISE AGREEMENT

This Rider amends the Franchise Agreement dated _____ (the “Agreement”), between Franchise Velox Valuations LLC, an Indiana Limited Liability Company (“Franchisor”) and _____, a _____ (“Franchisee”).

1. Definitions. Capitalized terms used but not defined in this Rider have the meanings given in the Agreement.

2. Jurisdiction and Venue. Any provision of the Agreement restricting jurisdiction or venue to a forum outside the State of Rhode Island or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under Rhode Island Franchise Investment Act.

3. Effective Date. This Rider is effective as of the Effective Date.

Agreed to by:

FRANCHISOR:

FRANCHISEE:

FRANCHISE VELOX VALUATIONS LLC

By: _____

Name: _____

Title: _____

Date: _____

By: _____

Name: _____

Title: _____

Date: _____

VIRGINIA RIDER TO FRANCHISE AGREEMENT

This Rider amends the Franchise Agreement dated _____ (the “Agreement”), between Franchise Velox Valuations LLC, an Indiana Limited Liability Company (“Franchisor”) and _____, a _____ (“Franchisee”).

1. Definitions. Capitalized terms used but not defined in this Rider have the meanings given in the Agreement.

2. Termination. 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 does not constitute “reasonable cause,” as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

3. Effective Date. This Rider is effective as of the Effective Date.

Agreed to by:

FRANCHISOR:

FRANCHISEE:

FRANCHISE VELOX VALUATIONS LLC

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

WASHINGTON ADDENDUM TO THE FRANCHISE AGREEMENT AND ALL RELATED AGREEMENTS

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document, the franchise agreement, and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

1. **Conflict of Laws.** In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.
2. **Franchisee Bill of Rights.** RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.
3. **Site of Arbitration, Mediation, and/or Litigation.** In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.
4. **General Release.** A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in 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. Section 4.1 of the Franchise Agreement is hereby revised by adding the following: “The franchisor will defer collection of the initial franchise fee until the franchisor has fulfilled its initial pre-opening obligations to the franchisee and the franchisee is open for business.”

The undersigned parties do hereby acknowledge receipt of this Addendum.

Dated this _____ day of _____ 20_____.

Signature of Franchisor Representative

Signature of Franchisee Representative

Title of Franchisor Representative

Title of Franchisee Representative

STATE EFFECTIVE DATES

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

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

State	Effective Date
CALIFORNIA	[PENDING]
ILLINOIS	March 3, 2025, as amended [PENDING]
INDIANA	February 25, 2025, as amended August 8, 2025
MARYLAND	March 21, 2025, as amended [PENDING]
MICHIGAN	February 11, 2025, as amended August 8, 2025
MINNESOTA	March 14, 2025, as amended [PENDING]
NEW YORK	March 12, 2025, as amended [PENDING]
RHODE ISLAND	March 4, 2025, as amended [PENDING]
SOUTH DAKOTA	March 3, 2025, as amended August 8, 2025
VIRGINIA	March 7, 2025, as amended [PENDING]
WASHINGTON	July 23, 2025, as amended [PENDING]
WISCONSIN	February 25, 2025, as amended [PENDING]

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.

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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 Franchise Velox Valuations 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 you be given this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of any franchise or other agreement, or payment of any consideration that relates to the franchise relationship.

If Franchise Velox Valuations 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 any applicable state agency (which are listed in Exhibit A).

The name, principal business address, and telephone number of each franchise seller offering the franchise is:

Name	Principal Business Address	Telephone Number
Chad Barker	704 South State Road 135, STE D 393, Greenwood, IN 46143	(317) 372-8682
Paul Bradley	704 South State Road 135, STE D 393, Greenwood, IN 46143	(317) 372-8682

Issuance Date: February 24, 2025, as amended August 8, 2025

I received a disclosure document dated February 24, 2025, as amended August 8, 2025, that included the following Exhibits:

- A. State Administrators and Agents for Service of Process
- B. Franchise Agreement (with Guaranty and Non-Compete Agreement)
- C. Form of General Release
- D. Financial Statements
- E. Brand Standards Manual Table of Contents
- F. Current and Former Franchisees
- G. State Addenda to Disclosure Document
- H. State Addenda to Franchise Agreement

Signature: _____

Print Name: _____

Date Received: _____

Signature: _____

Print Name: _____

Date Received: _____

Keep This Copy For Your Records

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Signature: _____
Print Name: _____
Date Received: _____

Signature: _____
Print Name: _____
Date Received: _____

**Return this copy to Franchise Velox Valuations LLC at 704 South State Road 135, STE D 393,
Greenwood, IN 46143**