

FRANCHISE DISCLOSURE DOCUMENT



RED WAGON CLUB FRANCHISE, LLC
a Florida limited liability company
2801 Florida Avenue, Suite C
Coconut Grove, Florida 33133
(724) 750-6185
info@theredwagonclub.com
www.theredwagonclub.com

The franchise offered is for a membership-based business, operating under the Red Wagon Club™ trademarks, which offers a variety of educational and social programs and non-legal services that are designed to complement and enhance the value proposition to the owner and clients of an existing law firm.

The total investment necessary to begin operation of a Red Wagon Club franchise ranges from \$99,250 to \$200,500. This includes \$50,000 that must be paid to the franchisor and its affiliates.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Tim Sechler at 2801 Florida Avenue, Suite C, Coconut Grove, Florida 33133, or by phone at (724) 750-6185.

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: July 19, 2024

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 Exhibit G.
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?	Exhibit G summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only Red Wagon Club business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a Red Wagon Club franchisee?	Item 20 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 C.

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 arbitration or litigation only in Florida. Out-of-state litigation may force you to accept a less favorable settlement for disputes. It may also cost more to litigate with the franchisor in Florida than in your own state.
2. **Spousal Liability.** Your spouse must sign a document that makes your spouse liable for your financial obligations under the franchise agreement, even though your spouse has no ownership interest in the business. This guarantee will place both you and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.

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

DISCLOSURES REQUIRED BY GEORGIA LAW.

The State of Georgia has not reviewed and does not approve, recommend, endorse, or sponsor any business opportunity. The information contained in this disclosure has not been verified by the state. If you have any questions about this investment, see an attorney before you sign a contract or agreement.

DISCLOSURES REQUIRED BY NORTH CAROLINA LAW

The State of North Carolina has not reviewed and does not approve, recommend, endorse, or sponsor any business opportunity. The information contained in this disclosure has not been verified by the State. If you have any questions about this investment, see an attorney before you sign a contract or agreement.

THE FOLLOWING APPLY 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.

- (a) A prohibition on the right of a franchisee to join an association of franchisees.
- (b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in the Michigan Franchise Investment 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 subfranchisor.

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

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

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

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

If the franchisor's most recent financial statements are unaudited and show a net worth of less than \$100,000, the franchisor shall, at the request of a franchisee, arrange for the escrow of initial investment and other funds paid by the franchisee until the obligations 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:

Michigan Attorney General's Office
Consumer Protection Division
Attention: Franchise Section
G. Mennen Williams Building, 1st Floor
525 West Ottawa Street
Lansing, Michigan 48933
Telephone Number: 517-373-7117

Note: Despite subparagraph (f) above, we intend to fully enforce the arbitration provisions of the Franchise Agreement. We believe that paragraph (f) is preempted by federal law and cannot preclude us from enforcing these arbitration provisions. We will seek to enforce this section as written.

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

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- Exhibit F – Form of General Release
- Exhibit G – Franchisee Lists
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- Exhibit I – Receipts

ITEM 1.
THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

Introduction

To simplify the language in this franchise disclosure document (this “Disclosure Document”), we use the terms “we” or “us” to refer to the franchisor, Red Wagon Club Franchise, LLC. When we refer to our affiliates, we will refer to them using the names outlined below. “You” means the person who buys a franchise from us. You may sign a franchise agreement and operate your franchise as a corporation, limited liability company, or general or limited partnership; provided, that you may not use the entity under which you operate any other business. Your owners will have to guarantee your obligations and be bound by the provisions of your Franchise Agreement and other agreements as described in this Disclosure Document. Each owner’s spouse will also be required to sign the guaranty to consent to such owner’s execution of the guaranty.

The Franchisor and Our Agents for Service of Process

We are a limited liability company that was formed in Florida on June 27, 2024. We began offering franchises as of the date of this Disclosure Document. We conduct business under our corporate name and the name “Red Wagon Club.” Our principal business address is 2801 Florida Avenue, Suite C, Coconut Grove, Florida 33133. We do not operate businesses of the type being offered in this Disclosure Document, we do not have any other business activities, and we have not offered any franchises in any other lines of business.

Our agents for service of process are disclosed in Exhibit C.

Our Parent, Predecessors and Affiliates

We do not have any predecessors.

Our affiliate, Red Wagon Club Community, LLC (“OpCo”), a Florida limited liability company which shares our principal business address, will enter into membership agreements (“Membership Agreements”) with your clients that purchase a Red Wagon Club membership of your RWC Business.

Our affiliate, Franchise Law Firm Exploratory & Development, LLC, a Florida limited liability company which is in the process of changing its entity name to Red Wagon Club IP, LLC (“RWC IP”), and which shares our principal business address, owns the Marks (defined below) and will provide trademark license rights in the Marks to us, enabling us to license those Marks to franchisees.

Our, OpCo’s, and RWC IP’s parent is Red Wagon Club Holdings, LLC (“Holdings”), a Florida limited liability company which shares our principal business address. None of OpCo, RWC IP, or Holdings currently own or operate any RWC Businesses or offer franchises for RWC Businesses or any other concepts.

Overview of Franchisor’s Business and Franchise Offered:

We offer the opportunity to develop and operate a membership-based business operating under the Marks (each, a “RWC Business”) that provides a variety of educational and social programs and non-legal services to clients (“Members”) who have entered into Membership Agreements, designed to complement and enhance the value proposition to the owner and clients of an existing, affiliated law firm business (each, a “Law Firm Business”). We will refer to the RWC Business that you will operate as “your RWC Business” and to the affiliated Law Firm Business as the “Affiliate Law Firm Business.” As a franchisee, you will

operate an RWC Business by creating and maintaining client relationships, promoting potential clients to enter into Membership Agreements with OpCo, and providing services to Members.

Your RWC Business will operate under the “Red Wagon Club” service mark and other trademarks, service marks, logos, and commercial symbols that we periodically authorize (the “Marks”) at a location approved by us (the “Office”). RWC Businesses will offer the products and services we authorize, and use our distinctive business formats, business system, methods, procedures, signs, designs, layouts, standards, specifications, and the Marks, all of which we may periodically improve, further develop, or otherwise modify (collectively, the “System”).

To acquire a franchise for an RWC Business, you must enter into a Franchise Agreement (the “Franchise Agreement”), which is attached as Exhibit A to this Disclosure Document. The Franchise Agreement, along with our franchisee policy manual(s) (the “Operations Manual”), which we may modify as we see fit, govern the development and operation of your RWC Business. Under the Franchise Agreement, you must also enter into a Sublicense Agreement with the Affiliate Law Firm Business (the “Sublicense Agreement”), which is attached as Exhibit B to this Disclosure Document, under which you will license to the Affiliate Law Firm Business limited rights for it to use certain of our confidential information and certain intellectual property in connection the operation of the Affiliate Law Firm Business.

Overview of Industry and Competition

The market for membership-based social clubs is established and competitive, but the market for such programs provided in connection with law firms is underdeveloped. You will face competition from law firms ranging from solo practitioners to international firms, as well as from various national and local membership-based groups that offer social gatherings and seminars as a component of their businesses. You will offer services to a broad range of clients; however, most clients consist of potential and current clients of the Affiliate Law Firm Business. The demand for the services offered by your RWC Business is not seasonal.

Overview of Industry-Specific Regulations

You must comply with all federal, state, and local laws that apply to the establishment and operation of RWC Businesses. We are not aware of any special state laws that regulate the services provided by this particular type of business, but in connection with marketing and offering Membership Agreements, you must comply with state and federal laws regarding anti-discrimination. Additional applicable laws and regulations may include, but are not limited to, state laws and regulations regarding the authorized practice of law, privacy, and insurance, equal-employment opportunity, OSHA regulations, non-discrimination, employment, sexual harassment laws, the Fair Labor Standards Act (and similar state or local statutes), and laws governing the payment of wages (including, overtime wages, minimum wages, and paid sick leave). Additionally, certain states prescribe the term of memberships that can be sold, the escrowing of membership fees, and terminology that can be used in selling memberships.

Many of the laws, rules and regulations vary from jurisdiction to jurisdiction. You must learn and comply with the laws, rules, and regulations for the type of business you will have and the area where it will be located.

Failure to comply with the laws, rules, regulations, and licensing requirements could adversely affect your RWC Business and operations and could subject you to tax, civil, and criminal penalties. The laws, rules, regulations, and licensing requirements that will govern your RWC Business may change over time and these changes could adversely affect your RWC Business and operations. You should consider these laws, rules, regulations, and licensing requirements when evaluating your purchase of a franchise.

ITEM 2.
BUSINESS EXPERIENCE

Tim Sechler: Chief Executive Officer & Director

Mr. Sechler has served as our Chief Executive Officer and one of our Directors since our inception in June 2024. Mr. Sechler has also served as the owner of Sechler Law Firm since May 2017 in Cranberry Township, Pennsylvania.

RJon Robins: Director

Mr. Robins has served as one of our Directors since our inception in June 2024. Mr. Robins founded How to Manage a Small Law Firm in 2009 and has served as its Chief Executive Officer since its founding. He has also served as President of How To Manage Enterprises, LLC since March 2019 in Miami, Florida.

David Carrier: Director

Mr. Carrier has served as one of our Directors since our inception in June 2024. Mr. Carrier has also served as the owner of the Law Offices of David Carrier, PC since January 1990 in Grand Rapids, Michigan.

Blake Lertzman: Director of Operations

Mr. Lertzman has served as our Director of Operations since our inception in June 2024. Mr. Lertzman has also served as Firm Administrator of Sechler Law Firm since February 2023 in Cranberry Township, Pennsylvania. Prior to that, Mr. Lertzman served as Director of Operations for White Law PLLC from December 2016 to August 2022 in Okemos, Michigan. From September 2022 through January 2023, Mr. Lertzman was between positions.

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

You will pay us a non-recurring initial franchise fee of \$50,000 (the “Initial Franchise Fee”). The Initial Franchise Fee is due and fully earned by us when you sign the Franchise Agreement, is payable in a lump sum, and is not refundable under any circumstances.

ITEM 6.
OTHER FEES

Type of Fee¹	Amount	Due Date	Remarks
Program Fee	\$2,500 from the Program Fee Commencement Date through the 3 rd calendar month thereafter; \$5,000 for the 4 th – 6 th months following the Program Fee Commencement Date; \$7,500 for the 7 th and each month following the Program Fee Commencement Date	Monthly, the 10 th of each month	Your obligation to pay the Program Fee begins on the first of the calendar month immediately following the earlier of (i) the date you commence operations of your RWC Business, or (ii) the 180 days after the effective date of the Franchise Agreement (the “Program Fee Commencement Date”).
Brand Fund Contribution	Not currently assessed	If assessed, monthly, the 10 th of each month	We may, but are not obligated to, establish an advertising fund to be used to promote the awareness of the Red Wagon Club brand and RWC Businesses generally (the “Brand Fund”). If we establish the Brand Fund, upon notice to you, you agree to contribute to the Marketing Fund. We anticipate that the Brand Fund contribution would be \$500 per month. If we impose this fee, we may further increase the Brand Fund Contribution by up to 10% annually during the term of the Franchise Agreement.
Additional or Ongoing Training	\$1,000 per day, per trainer, plus our expenses	As arranged	If additional training is required after the initial training program, we may charge you a then-current fee for additional training plus our travel and related expenses. This charge is subject to increase based on our costs incurred. See Note 2.
Membership Fees	Two-thirds (2/3) of amounts collected under Membership Agreements	We account for these fees monthly by the 10 th of each month for the preceding month	Currently, our affiliate, OpCo, will enter into Membership Agreements with the Members of your RWC Business and will collect the membership fees paid under such agreements. OpCo will remit to you one-third (1/3) of such membership dues monthly. However, we may elect to have you enter into Membership Agreements directly with your clients, in which case you would collect such membership fees and remit to us two-thirds (2/3) thereof each month. See Note 3.

Type of Fee ¹	Amount	Due Date	Remarks
Transfer Fee	75% of then-current Initial Franchise Fee	At time of transfer	<p>Applies to a transfer of your RWC Business' ownership, possession, or control, or substantially all of its assets. This fee covers our assessment of transferee's qualifications, training, and early support. See Item 17.</p> <p>If shares are being transferred between existing owners, or if a new shareholder is being added that does not change the majority ownership of you, the transfer fee is \$1,500.</p> <p>For transfers to existing franchisees, the transfer fee is 33% of the then-current Initial Franchise Fee.</p>
Successor Franchise Fee	\$2,500	At time of election of Successor Franchise	This fee covers the administrative costs of granting you a Successor Franchise to govern the operation of your RWC Business for an additional term. See Item 17.
Technology Fee	Not currently assessed	If assessed, monthly, the 10 th of each month	We do not currently charge this fee but may do so for technology that we or our affiliates develop or license to you and for other maintenance, support, and technology development services that we or our affiliates provide. The amount of this fee is subject to increase at our discretion commensurate with the technology used in the operation of RWC Businesses; provided, that we will not increase this fee by more than \$500 in any given month of the term of a Franchise Agreement. We anticipate that you would pay these amounts directly to designated third-party vendors, but we may require you to pay us the Technology Fee directly.
Mystery Shopper Fees	Not currently assessed	If assessed, as incurred	We do not currently charge this fee but may do so if we conduct a quality assurance mystery shopper program. We estimate that this fee would be up to \$500 per month if we elect to impose it.

Type of Fee¹	Amount	Due Date	Remarks
Speaker Approval Fee	Not currently assessed	If assessed, as incurred	We do not currently charge this administrative fee but may do so in the future. From time to time, and subject to our approval, you may decide to bring in a third party to speak to the Members of your RWC Business. In order to protect the integrity of the Brand (defined below), we may charge this administrative fee to review such speaker's qualifications and grant or withhold approval, in our discretion, of such individual presenting to Members.
Interest	Lesser of 1.5% per month or the highest commercial contract interest rate allowed by law	As required	Applies to late payments you owe to us. Payment of late fee by you does not waive any of our rights under the Franchise Agreement or law. We may debit your bank account automatically for service charges and interest.
Costs and Attorneys' Fees	Our direct costs and attorneys' fees	As incurred	Payable if you fail to comply with the Franchise Agreement or if we incur legal fees or costs related to a customer of your RWC Business.
Non-Compliance Fee	\$500 per default per month	As incurred	If you are in default of the Franchise Agreement, we may charge you our then-current non-compliance fee, per month such default remains uncured. The non-compliance fee is payable to us in the same manner as the Program Fee and is not a waiver of any of our other rights and remedies under the Franchise Agreement.
Insufficient Funds	\$250 each instance	As required	We may charge you this fee for each time you maintain insufficient funds in your Business Account when we attempt to debit such account. We may attempt to debit your account until funds are available (but no more than once every 5 days) and you will be charged this fee for each instance in which the funds are not available.
Alternative Supplier Evaluation Fee	Actual costs	When you request an alternative supplier	If you would like to purchase or use any products, services, supplies or materials from any unapproved supplier, you must submit to us a written request for approval of the proposed supplier before purchasing any such products, services, supplies or materials. If we agree to review such request, you must reimburse us our actual costs incurred in our review. See Item 8.

Type of Fee¹	Amount	Due Date	Remarks
Indemnification	Amount of damages suffered	As incurred	You must indemnify and hold us harmless for all loss, damage, claims or demands arising from your RWC Business and/or its operations.
Lost Revenue Damages	The applicable amount of Lost Revenue Damages, as further defined in the Remarks	Within 15 days after Franchise Agreement is terminated	If you terminate the Franchise Agreement without cause or we terminate the Franchise Agreement for your breach, you must pay us an amount equal to the net present value of: (1) the number of calendar months in the Measurement Period, multiplied by (2) the sum of the then-current Program Fee and Brand Fund Contribution fees. The "Measurement Period" is equal to the lesser of two years or the scheduled expiration of the term of your Franchise Agreement.
Insurance	Cost of premium paid by us, plus a 10% service charge	As incurred	Paid only if you do not maintain insurance as required by us, and we choose to pay the policy premium(s) to keep the insurance in full force for your RWC Business. We are not obligated to make such payment(s).
Taxes	Amount of taxes due, plus a 10% administrative fee	As incurred	Payable if you fail to timely pay any tax due required by law and we make such payment(s) on your behalf.
Audit	Actual costs, plus out-of-pocket expenses	Within 15 days of invoice	You must pay all costs related to our audit of your books and records if we conduct the audit because you fail to timely furnish required reports or if the audit reveals that you have understated or underpaid the amounts you owe by more than 2%. See Note 7.

Accompanying Footnotes:

1. All fees are imposed by and payable to us, except as otherwise noted in the table, are non-refundable and fully earned by us upon receipt. Unless otherwise noted, we uniformly impose the fees described in the table. You must make all payments due us or our affiliates in the manner we designate, and you must authorize us and/or any third party we designate to debit your Business Account (as defined below) automatically for any or all amounts due to us or our affiliates by signing an Electronic Funds Transfer Authorization (the "EFT Authorization"), which is attached as Attachment C to the Franchise Agreement. Such EFT Authorization shall remain in full force and effect during the term of the Franchise Agreement. You must ensure that funds are readily available in your Business Account to cover our withdrawals.

You must set up a business checking account with our approved vendor, if any, or a vendor we otherwise approve (your "Business Account"). Each month, on a date we determine (currently the 10th day of each calendar month), you will remit to us via electronic debit an amount equal to all payments due from you to us or our affiliates (other than Membership Fees), including but not limited to Program Fee payments and Brand Fund Contributions for the prior month (the "Balance Payment").

2. *Additional or Ongoing Training.* We do not charge a fee for attendance at our initial training program by two (2) of your owners or representatives. We also do not charge a fee to send our training and opening team to your RWC Business. If we determine that your Operating Principal (as defined in Item 15) or your Designated Manager (as defined in Item 15), if applicable, are not properly trained to provide the services offered by your RWC Business, we may require such person to cease providing services for your RWC Business and/or to be trained by us at our then-current training fee. In addition, if we determine that you or your Designated Manager require refresher training during the term, we may require such individuals to retake all or a portion of the Initial Training Program (as defined in Item 11). Additional training will be provided at the times and location(s) of our choice, whether requested by you or us. You will be charged the then-current rate for additional training, plus the cost of transportation, lodging, and other associated expenses. If your Operating Partner is unable or unwilling to complete the additional required training to our satisfaction, we may terminate the Franchise Agreement.

3. *Membership Fees.* On or before the 10th day of each calendar month, we will remit to you an amount (the “Membership Fee Payment”) equal to one-third (1/3) of membership fees paid by Members of your RWC Business under Membership Agreements during the preceding month.

ITEM 7.
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure¹	Amount	Method of Payment	When Due	To Whom Payment Is To be Made
Initial Franchise Fee ²	\$50,000	On signing Franchise Agreement	Lump Sum	Us
Leasehold Improvements ³	\$5,000 to \$20,000	As Incurred	As Agreed	Outside suppliers
Signage	\$3,500 to \$15,000	As Incurred	Lump Sum	Outside suppliers
Furniture and Fixtures ⁴	\$3,500 to \$20,000	As Incurred	As Agreed	Outside suppliers
Software and Phone System ⁵	\$4,500 to \$7,500	As Incurred	As Agreed	Outside suppliers
Computers and Equipment ⁶	\$1,000 to \$6,000	As Incurred	Lump Sum	Outside suppliers
Professional Fees ⁷	\$3,000 to \$10,000	As Incurred	Lump Sum	Third parties
Initial Inventory	\$2,500 to \$5,000	As Incurred	Lump Sum	Outside suppliers
Insurance ⁸	\$1,250 to \$5,000	As Incurred	Lump Sum	Third parties
Training Expenses ⁹	\$5,000 to \$7,000	As Incurred	As Incurred	Third parties

Type of Expenditure ¹	Amount	Method of Payment	When Due	To Whom Payment Is To be Made
Affiliate Law Firm Client Relations Program ¹⁰	\$5,000 to \$20,000	As Incurred	Lump Sum	Third parties
Additional Funds – 3 Months ¹¹	\$15,000 to \$35,000	As Incurred	As Incurred	Employees, landlord, suppliers, utilities, etc.
TOTAL	\$99,250 to \$200,500			

Accompanying Footnotes:

1. *General.* Amounts payable to us are non-refundable, unless otherwise indicated. Amounts payable to others (landlord, contractors, vendors, local agents, airlines, hotels, restaurants, suppliers, attorneys, accountants, and consultants etc.) may be refundable based on their policies and your agreements with them. It is anticipated that you will operate your RWC Business from the office of the Affiliate Law Firm Business. Accordingly, if the Affiliate Law Firm Business’s office meets the System Standards, you may not be required to incur certain expenditures related to the following categories: leasehold improvements, furniture and fixtures, software and phone systems, computers and equipment, and/or insurance.

2. *Initial Franchise Fee.* The Initial Franchise Fee is due and fully earned by us when you sign the Franchise Agreement and is not refundable under any circumstances.

3. *Leasehold Improvements.* These estimates do not include extensive exterior renovations since you are expected to operate your RWC Business from the office of the Affiliate Law Firm Business. Lease build-out requirements may include, but not be limited to, building walls, installing doors, building wall dividers, installing flooring and building counters.

4. *Furniture & Fixtures.* These amounts will vary depending on the location and size of your office, the type of equipment you purchase, and the overall set-up of your RWC Business.

5. *Software and Phone System.* You must acquire business management services software, phone systems, and such other computer hardware, software, and technology that we periodically specify to be used in connection with your Business (the “Technology System”). We estimate the cost of the business management services software to be between \$50 - \$70 per month, per user over the three-month period after you commence operations of your RWC Business.

6. *Computers and Equipment.* This estimate includes the cost of your acquisition of a laptop, monitor, docking station, computer mouse, and keyboard for use in connection with your RWC Business.

7. *Professional Fees.* This item is an estimate of the fees likely to be paid to architects, lawyers, and accountants.

8. *Insurance.* You must, at your own expense, keep in force insurance policies for your RWC Business. We may change types and amounts of coverage. This estimate is based on our current

requirements. Your lease agreement may require higher insurance limits than those stated above. You may have to prepay a portion of the first year's premiums for insurance.

9. *Training Expenses.* We will provide the Initial Training Program (defined in Item 11) to your Operating Partner and, if applicable, your Designated Manager at no charge, as such training is covered by your Initial Franchise Fee. You are responsible for all expenses associated with attending the Initial Training Program, including wages, travel, lodging, and other accommodations. Should any portion of the Initial Training Program take place at your RWC Business, we may charge you any travel and living expenses for the trainer(s) we send to your RWC Business. You are responsible for all travel and living expenses (including, wages, transportation, food, lodging, and workers' compensation insurance) that your Operating Principal, Designated Manager (if applicable, or your employee(s) (if any) incurs during any and all meetings and/or training courses and programs.

10. *Affiliate Law Firm Client Relations Program.* From the effective date of your Franchise Agreement through the date you commence operations of your RWC Business, you and the Affiliate Law Firm Business must spend an aggregated minimum of \$5,000 on marketing and client relations to the Affiliate Law Firm Business's clients. Such programs and events and the materials you use in connection therewith, are subject to our approval.

11. *Additional Funds – 3 Months.* The stated estimate covers the additional funds needed for the first 3 months of operation of your RWC Business, including additional marketing expenditures and estimated owner compensation. Your actual expenditures in the first 3 months of operation of your RWC Business may vary based on your RWC Business' needs. We have based this estimate on our Director's experience developing RWC Businesses (see Item 20 for more details). We do not directly or indirectly finance any portion of your initial investment.

ITEM 8.

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Standards and Specifications

To ensure that our standards and specifications of quality, service, and system development are maintained, we have developed, and may further develop, standards and specifications for the development and operation of RWC Businesses (the "System Standards"). You are required to offer and sell all products and services that we periodically specify and to offer and sell only those products and services that we periodically approve. We will provide you our then-current specifications for all required furniture, fixtures, equipment, products, material, and supplies used in the development or operation of an RWC Business and the Technology System (collectively, the "Operating Assets"), as well as for the manner in which RWC Businesses are operated and the terms and conditions under which services are offered. We may designate, approve, or develop standards and specifications for manufacturers, distributors, and suppliers of products and services to your RWC Business, which may be us or our affiliates (collectively, "suppliers"). Our standards and specifications may impose minimum requirements including, for example, as to quality, cost, delivery, performance, design and appearance, delivery capabilities, terms, and conditions under which they are sold to you, and financing terms. We may change, delete, or modify any of our System Standards, and those changes might require that you make additional expenditures. You are required to purchase only the items that we approve or that meet our standards and specifications and, as described below, to purchase those items only from suppliers that we approve or otherwise allow.

Designated and Approved Suppliers

You must operate your RWC Business in strict conformity with your Franchise Agreement, the System Standards, and the methods, standards, specifications, and sources of supply that are designated in the Operations Manual. You must purchase the products and services we periodically designate only from the suppliers we prescribe and only on the terms and according to the specifications we approve. A complete list of designated and approved suppliers is maintained in the Operations Manual, which we may periodically update.

Approval of suppliers may be conditioned on requirements relating to product quality, prices, consistency, reliability, financial capability, labor relations, client relations, frequency of delivery, concentration of purchases, standards of service, including prompt attention to complaints, or other criteria and may be temporary, pending our continued evaluation of the supplier. We are not required to divulge our standards and specifications for products and services to you or any supplier, but we may, primarily through the Operations Manual, make standards and specifications for certain items available to you, and we may communicate standards and specifications to our approved suppliers for the items they sell from time to time. If we determine that divulging standards and specifications will jeopardize the confidentiality of our intellectual property rights, we may elect to approve products or services that we determine meet our standards and specifications without communicating those standards and specifications to you or suppliers.

We may concentrate purchases with one or more suppliers to obtain lower prices, advertising support and/or services for any group of RWC Businesses, whether franchised or operated by us or our affiliates. We may also designate a single supplier for any product, service, Operating Asset, or other material, or approve a supplier only for certain products or services. We and/or our affiliates do not currently, but may in the future derive revenue or other material benefits based on your purchases (including from charging you for products and services we or our affiliates provide to you and from promotional allowances, rebates, volume discounts and other payments, services, or consideration we receive from suppliers that we designate or approve for some or all of our franchise owners). No such arrangements currently exist. Because we started offering franchises at the Issuance Date of this Disclosure Document and are in our first fiscal year, neither we nor our affiliates have derived any revenue from franchisees' required purchases in a prior fiscal year.

Currently, one of our officers owns an interest in designated suppliers of (i) bookkeeping services, (ii) marketing services, and (iii) marketing materials. Except as set forth above, neither we nor our affiliates currently own an interest in any supplier of products or services to our franchisees, but we may do so in the future.

Insurance

You must, at your expense, comply with the requirements regarding insurance coverages that we describe in our Operations Manual from time to time. If you fail or refuse to procure and maintain the required insurance, we may (but need not) obtain such insurance on your behalf, in which event you must cooperate with us and reimburse us for all premiums, costs and expenses we incur in obtaining and maintaining the insurance, plus a reasonable fee for our time incurred and resources used to obtain such insurance for you. Your obligation to satisfy our minimum insurance requirements is not diminished or limited in any way by any insurance we or our affiliates carry, and no insurance coverage that you or any other party maintains will be deemed a substitute for your indemnification obligations under the Franchise Agreement.

Our insurance requirements represent only the minimum coverage that we deem acceptable to protect our interests and are not representations or warranties of any kind that such coverage is sufficient to

comply with your lease obligations and applicable laws or to protect your interests or those of your RWC Business. It is your sole responsibility to make that determination and to acquire any additional coverages you believe are necessary to protect those interests, based on your own independent investigation. We are not responsible if you sustain losses that exceed your insurance coverage under any circumstances.

Currently, we require that you purchase at least the following types and amounts of coverage (subject to change as described in our Operations Manual):

Coverage Types	Required Limits of Coverage
General Liability	\$1 million per occurrence, \$2 million aggregate, \$1,000,000 Products/Completed Operations, \$1,000,000 Personal Injury & Advertising Injury for claims of bodily injury and property damage
Auto Liability	\$1,000,000 combined single limit for all owned, non-owned and hired vehicles used in the franchised business
Business Property	Special form coverage on all assets including but not limited to furniture, fixtures, equipment, inventory, and supplies used in the operation of your franchised business at 100% of its Replacement Cost value
Business Interruption	For not less than 50% of your gross sales or 12 months Actual Loss Sustained basis and include extended period of indemnity for 180 days; including Franchisor's Program Fees
Employer Liability	\$1 million per occurrence/employee with cost of defense outside the policy limits
Workers Compensation	Statutory, as required by the franchisee's state of operation
Employment Practices Liability	\$1,000,000 for employment practices wrongful acts; including third party coverage for harassment and discrimination of non-employees, and including Wage & Hour defense limit of \$100,000. The policy must name us as co-defendant, and as an additional insured if available
Cyber Liability	\$1,000,000 to cover any claims related to including but not limited to first and third party cyber breaches and defense and recovery expenses
Professional Liability	1,000,000 per occurrence and \$3,000,000 in the aggregate, to be purchased and maintained by the Affiliate Law Firm Business under the Sublicense Agreement

Each insurance policy for liability coverage must name us and any affiliates or lenders we designate as additional named insureds, using a form of endorsement that we have approved, and provide for 30 days' prior written notice to us of a policy's cancellation. Each insurance policy must contain a waiver of all subrogation rights against us, our subsidiaries, affiliates, and ours and their successors and assigns, and the coverage shall be primary and non-contributory to any insurance that we carry. You must furnish us with a compliant certificate of insurance no less than 45 days after you sign your franchise agreement, but before you begin operations of your RWC Business, and 20 days prior to any renewal of insurance or whenever we request and be provided by an insurance company and broker approved by us.

Our requirements for minimum insurance coverage are not representations or warranties of any kind that such coverage is sufficient for the operation of your RWC Business. Such requirements represent only the minimum coverage that we deem acceptable to protect our interests. It is your sole responsibility to obtain insurance coverage for your RWC Business that you deem appropriate, based on your own

independent investigation. We are not responsible if you sustain losses that exceed or circumvent your insurance coverage under any circumstances. We may, at any time, establish and require your participation in additional mandatory insurance programs.

Use of Alternative Suppliers

If you would like to purchase or use any products, services, supplies or materials from any unapproved supplier, you must submit to us a written request for approval of the proposed supplier before purchasing any such products, services, supplies or materials. Your request must include sufficient specifications and information about the proposed supplier. Our criteria for approving suppliers is confidential and not made available to franchisees. Under our current evaluation procedure, we will notify you in writing of the approval or rejection of the proposed supplier within 6 months of our receipt of all requested information. You must pay us any actual costs we incur in connection with our review of your request. If we fail to respond within 6 months, your request will be deemed denied. If we approve your request, we may later revoke our approval by notifying you in writing if the supplier does not continue to meet any of our criteria. You may not directly contract with any alternative supplier without our prior written approval.

We may refuse to consider and/or approve any proposed alternative supplier or product for any reason whatsoever. We are likely to reject your request for a new supplier without conducting any investigation if we have already designated an exclusive supplier for that product or service. We may, with or without cause, revoke our approval of any supplier or product at any time upon written notice to you, and we may periodically reinspect the facilities, products, or services of any approved supplier. Supplier or product approval might be temporary until we evaluate the supplier or product in more detail.

There are no purchasing or distribution cooperatives in place related to RWC Businesses, though we may elect to form them in the future. We do not provide any material benefits to franchisees based on a franchisee's purchase of particular services or use of particular suppliers. We may negotiate purchase arrangements with some of our suppliers (including price terms) for the benefit of franchisees, but we are under no obligation to do so. We do not currently receive payment, in the form of preferred pricing or rebates, from any suppliers due to franchisee purchases from such suppliers. Because we started offering franchises at the Issuance Date of this Disclosure Document and we are in our first fiscal year, neither we nor our affiliates have derived any revenue from vendors based on required purchases by franchisees during any prior fiscal year.

We estimate that 40% of your initial investment and 30% of your ongoing expenditures will require you to purchase products and services that will be restricted by us in some manner. You will not receive any material benefits from your compliance with these standards and specifications, or from your purchases from designated or approved vendors.

ITEM 9.
FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the Franchise Agreement and other agreements. It will help you find more detailed information about your obligations in these agreements and in other items of this Disclosure Document.

Obligation	Section in Franchise Agreement or related Agreement(s)	Item in Disclosure Document
a. Site selection and acquisition/lease	Franchise Agreement Sec. 4.A	11, 12
b. Pre-opening purchases and leases	Franchise Agreement Secs. 4.B, 9.C	7, 11
c. Site development and other pre-opening requirements	Franchise Agreement Secs. 4.A, 5.A	7, 11
d. Initial and ongoing training	Franchise Agreement Secs. 5.A, 5.B Sublicense Agreement Sec. 4.(c)	6, 7, 11
e. Opening	Franchise Agreement Sec. Sec. 4.F	11
f. Fees	Franchise Agreement Secs. 4.C, 6	5, 6, 7, 11
g. Compliance with standards and policies/operating manual	Franchise Agreement Secs. 4.B, 5.C, 9.A Sublicense Agreement Secs. 3, 5	1, 11
h. Trademarks and proprietary information	Franchise Agreement Secs. 5.C, 9.A, 13 Sublicense Agreement Secs. 2, 6	11, 13, 14
i. Restrictions on products / services offered	Franchise Agreement Sec. 9.A, 9.C, 9.D	11, 13, 16
j. Warranty and customer service requirements	Franchise Agreement Sec. 9.E	11
k. Territorial development and sales quotas	Franchise Agreement Sec. 3.B	6, 12
l. Ongoing product/service purchases	Franchise Agreement Sec. 9	8
m. Maintenance, appearance, and remodeling requirements	Franchise Agreement Secs. 9.A, 9.B	7, 11
n. Insurance	Franchise Agreement Sec. 10 Sublicense Agreement Sec. 4.(b)	6, 8
o. Advertising	Franchise Agreement Sec. 11 Sublicense Agreement Sec. 4.(a)	6, 7, 11
p. Indemnification	Franchise Agreement Sec. 12.D Sublicense Agreement Sec. 9	6
q. Owner's participation / management / staffing	Franchise Agreement Secs. 9.G, 12.A	11, 15
r. Records and reports	Franchise Agreement Sec. 14 Sublicense Agreement Sec. 4.(d)	6
s. Inspections and audits	Franchise Agreement Sec. 15	6
t. Transfer	Franchise Agreement Sec. 16 Sublicense Agreement Sec. 11	6, 17
u. Renewal	Franchise Agreement Sec. 3.D	17

Obligation	Section in Franchise Agreement or related Agreement(s)	Item in Disclosure Document
v. Post-termination obligations	Franchise Agreement Sec. 18 Sublicense Agreement Secs. 6.(b), 8, 10.(c)	17
w. Non-competition covenants	Franchise Agreement Sec. 8.A, 18.E Sublicense Agreement Sec. 8	15, 17
x. Dispute resolution	Franchise Agreement Sec. 20 Sublicense Agreement Sec. 12	17
y. Guaranty	Franchise Agreement Sec. 2, Attachment B	15

ITEM 10.
FINANCING

We do not offer direct or indirect financing. We do not guarantee your note, lease, or obligation.

ITEM 11.
FRANCHISOR’S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING

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

Before you begin operating your RWC Business, we or our designee(s) or affiliates will:

1. If you do not have an approved site when you and we sign the Franchise Agreement, we will review and, if acceptable, approve your proposed site (Franchise Agreement, 4.A);
2. Provide you with our list of third-party suppliers and standards and specifications for all required equipment, furniture, fixtures, and signs. We do not deliver or install these items. (Franchise Agreement, 4.C);
3. Conduct the Initial Training Program for your Operating Partner and Designated Manager, if applicable, over a 3 to 5-day period, either at our corporate headquarters, remotely, or at a training location we designate (Franchise Agreement, 5.A);
4. Provide you with access to our Operations Manual for use during the term of your RWC Business, via a restricted website, intranet, or via other electronic means (including by sending to you via e-mail) (Franchise Agreement, 5.C);
5. Provide you with our then-current standard form of Membership Agreement and, through our affiliate, OpCo, enter into Membership Agreements with your RWC Business’s Members. (Franchise Agreement, Section 9.I);
6. Review and, if acceptable, approve your affiliate law firm client relations program (Franchise Agreement, Section 11.A); and
7. Provide you access to materials for use in promoting products and services of your RWC Business (Franchise Agreement, 11.B).

Site Selection

You will operate your RWC Business from a defined location. While it is anticipated that you will operate your RWC Business from the office of the Affiliate Law Firm Business, if you operate your RWC Business from a different commercial space, you must obtain our approval of the location of such premises. We do not provide site selection services or any assistance with (a) conforming the premises to local ordinances and business codes, (b) obtaining required permits, or (c) constructing, remodeling, or decorating the premises. We also do not typically own any premises leased by franchisees from which RWC Businesses operate. We will condition our approval of a proposed location on whether the site is sufficient for operating your RWC Business, looking at factors such as demographic characteristics, character of the neighborhood, proximity of competition, and the size, appearance and other physical characteristics of the premises. If, for any reason, there is no agreement on a site from which you will operate your RWC Business, we may terminate the Franchise Agreement.

Your selection of a site for your RWC Business is based on your own independent investigation of the site's suitability for an RWC Business. If your RWC Business will be operated in a leased commercial space other than your the office of the Affiliate Law Firm Business, you will submit to us a complete report for the site you propose for your RWC Business. Your report must contain the documents and information we require, including a description of the proposed site, and a letter of intent or other evidence confirming your favorable prospects for obtaining the proposed site. Though we are not obligated under the Franchise Agreement to respond to your request for approval of a proposed site within a designated time frame, we will use reasonable efforts to accept or not accept the proposed site within 30 days after receiving your report. While there is not a timeframe by which you must obtain site approval or enter into a lease (if applicable), you must begin operating your RWC Business no later than 180 days after the effective date of the Franchise Agreement, or we have the right to terminate your Franchise Agreement.

Operations Manual

The table of contents of the current version of the Operations Manual is included as Exhibit E. Our current version of the Operations Manual has 307 pages. Under the terms of the Franchise Agreement, we may revise the Operations Manual at any time, and you will be obligated to adhere to those revised specifications and requirements.

Time Between First Payment and Business Operations

The typical length of time between signing the Franchise Agreement and opening your RWC Business is 150 days. You must begin full-time operation of your RWC Business following your completion to our satisfaction of all components of the Initial Training Program, which in no event may be later than 180 days after you and we sign the Franchise Agreement. If you do not commence operations of your RWC Business within 180 days of signing the Franchise Agreement, we may terminate the Franchise Agreement. However, we may extend the required time frame for commencement of your RWC Business upon written request by you. The main factors in determining the length of time between signing a Franchise Agreement and opening an RWC Business have been the amount of time required to complete training, obtain the required insurance coverage, and hiring any additional staff. We do not deliver or install any equipment, signs, or fixtures that are required to be used in your RWC Business.

During your operation of your RWC Business, we or one of our affiliates (or our designee) will:

1. Provide you additional training, if you request it and we agree to provide it (Franchise Agreement, Section 4.A)

2. Continue to provide you online access to the Operations Manual via a restricted website, intranet, or via other electronic means (including by sending to you via e-mail) (Franchise Agreement, 5.C);
3. Designate, approve, and update the Operating Assets; approved suppliers, products, and services; the System Standards; and Operations Manual (Franchise Agreement, 4.B, 9.A, 9.C, 9.D);
4. Provide billing and collections services on your behalf for all amounts due under Membership Agreements (Franchise Agreement, 6.C);
5. Approve all advertising and promotional materials used by you to promote your RWC Business and RWC Businesses generally, and provide you with access to advertising, marketing, promotional, and educational materials to be used in such promotion (Franchise Agreement, 11.D);
6. Maintain the System Website (as defined below) and list and advertise your RWC Business on all major Internet search engines and consumer review websites (Franchise Agreement, 11.E);
7. Host periodic conventions, meetings, and/or ongoing training events that may be held remotely or at a location designated by us (Franchise Agreement, 5.A);
8. Administer the Initial Training Program for any Designated Managers hired by you following operation of your RWC Business (Franchise Agreement, 5.A); and
9. Provide you with our then-current standard form of Membership Agreement and, through our affiliate, OpCo, enter into Membership Agreements with your RWC Business's Members. (Franchise Agreement, Section 9.I).

Marketing

Affiliate Law Firm Client Relations Program

You must, at your expense, from the effective date of your Franchise Agreement through the date your RWC Business opens, you must spend a minimum of \$5,000 on marketing and client relations to the clients of the Affiliate Law Firm Business. You must receive our prior consent for the programs and events and the marketing materials you use in connection with the affiliate law firm client relations program. The amount you spend on the affiliate law firm client relations program will not count towards your other required marketing expenditures.

Brand Fund

We do not currently maintain, nor are we obligated to maintain, a systemwide advertising fund. However, we may elect to establish a Brand Fund to promote the awareness of the Red Wagon Club brand (the "Brand") and RWC Businesses generally. If we establish the Brand Fund, your contribution will be in amounts we periodically specify and will be payable in the same manner as the Program Fee; however, if we establish the Brand Fund, we have the right, at any time and on notice to you, to change the amount you must contribute to the Brand Fund, but we cannot increase the amount you must contribute to the Brand

Fund by more than 10% in any calendar year after we establish the Brand Fund. We anticipate that, if we establish the Brand Fund, your initial Brand Fund contribution would be \$500 per month.

If we establish the Brand Fund, we or our affiliates or other designees will direct all programs that are funded by contributions to the Brand Fund, with sole control over the creative concepts, materials, and endorsements used and their geographic, market, and media placement and allocation. We may use contributions to the Brand Fund to pay for preparing and producing materials and electronic or digital media in any form or format that we periodically designate, including but not limited to: administrating online advertising strategies, including developing and maintaining a System Website and mobile apps; administering regional and multi-regional marketing and advertising programs; implementing gift and loyalty programs; and supporting public relations, market research, product development, and other advertising, promotional, social media, creation and publishing of books and other marketing materials; and marketing activities. In our discretion, we may sell you, at reasonable prices, copies of certain materials funded by contributions to the Brand Fund.

We are not required to segregate Brand Fund contributions from our other funds, but we will account for contributions to the Brand Fund separately from our other funds and not use the Brand Fund contributions for any of our general operating expenses. However, we may use contributions to the Brand Fund to reimburse us or our affiliates or designees for the reasonable salaries and benefits of personnel who manage and administer or work on the Brand Fund's activities, the Brand Fund's other administrative costs, travel expenses of personnel while they are on Brand Fund business, meeting costs, overhead relating to Brand Fund business, and other expenses that we incur in activities reasonably related to administering or directing the Brand Fund and its programs. While references to the availability of franchises may appear in marketing materials, the Brand Fund will not be used primarily to sell franchises.

Contributions to the Brand Fund will not be our asset, but we do not assume or owe any fiduciary obligation to you in respect of those contributions or for administering the Brand Fund or any other reason. We will hold all Brand Fund contributions for the benefit of the contributors. We may spend in any fiscal year on Brand Fund activities more or less than the total Brand Fund contributions in that year, borrow from us or others (paying reasonable interest) to cover deficits, or invest any surplus for future use. We may use all interest earned on the Brand Fund contributions to pay costs before using the Brand Fund's other assets. We will prepare an annual, unaudited statement of Brand Fund collections and expenses and, once prepared, give you the statement for the most recently completed fiscal year upon your written request. We may have the Brand Fund audited annually, at the Brand Fund's expense, by an independent certified public accountant. We may incorporate the Brand Fund or operate it through a separate entity whenever we deem appropriate, in which case the successor entity will have all of the rights and duties we have.

We need not ensure that Brand Fund expenditures in or affecting any geographic area are proportionate or equivalent to Brand Fund contributions by RWC Businesses operating in that geographic area or that any RWC Business benefits from Brand Fund activities either directly or in proportion to its Brand Fund contributions. We have the right, but no obligation, to use collection agents and institute legal proceedings to collect Brand Fund contributions at the Brand Fund's expense. We also may forgive, waive, settle, and compromise all claims by or against the Brand Fund. Except as expressly provided in the Franchise Agreement, we assume no direct or indirect liability or obligation to you for collecting amounts due to, maintaining, directing, or administering the Brand Fund.

We may at any time defer or reduce your contributions to the Brand Fund, and upon 30 days' prior notice to you, suspend Brand Fund operations for one or more periods of any length and/or terminate (and if terminate, reinstate) the Brand Fund. If we terminate the Brand Fund, we will, at our option, either spend

all unspent monies at our discretion, until such amounts are exhausted, or distribute the funds in the Brand Fund to the contributing RWC Business owners in a manner we deem fair and equitable.

We have no advertising councils.

Local Advertising

Under the Sublicense Agreement, the Affiliate Law Firm Business must spend, monthly, a minimum of \$10,000 to locally advertise and promote the Affiliate Law Firm Business and/or your RWC Business (the “Local Advertising Requirement”). You must list and advertise your RWC Business with the online directories we periodically prescribe and establish any other Online Presence (as defined in Item 13, below) we require or authorize, each in accordance with our System Standards. If other RWC Businesses are located within the directory’s distribution area, we may require you to participate in a collective advertisement with them and to pay your share of that collective advertisement. Within 30 days after the end of each calendar quarter, we may require that you provide, in the manner that we prescribe, an accounting of the Affiliate Law Firm Business’s advertising expenditures during the preceding calendar quarter.

You must obtain our written approval of any advertising that you or the Affiliate Law Firm Business propose to use in connection with your RWC Business that has not been prepared by the Brand Fund (if applicable) or that we have not approved. All such proposed materials must be completely clear, factual, ethical and not misleading and must conform to the marketing and advertising policies that we periodically prescribe. You must submit to us, for our approval, samples of marketing materials you or the Affiliate Law Firm Business intend to use at least 10 days prior to your proposed use. If you do not receive our written approval of the materials within 10 days of your submission, they are deemed to be disapproved. We may, in our discretion, withdraw our approval if a regulatory or other issue arises that, in our opinion, makes such withdrawal in our or the System’s best interests.

Online Presences

Except as specified by us in the Operations Manual, you may not develop, maintain or authorize any website, domain name, e-mail address, social media account, username, other online presence or presence on any electronic medium of any kind (an “Online Presence”) that mentions your RWC Business, links to any System Website, or displays any of the Marks, or engages in any promotional or similar activities, whether directly or indirectly, through any Online Presence. You may, however, use the microsite website that is provided to you during the term of your Franchise Agreement, as well as the e-mail address that is associated with your RWC Business. You are prohibited from maintaining any business profiles or use of the Marks on any Online Presence (including Facebook®, LinkedIn®, YouTube®) without our prior written approval.

Each telephone number, directory listing, e-mail address, and any other type of contact information used by or that identifies or is associated with your RWC Business (each, a “Contact Identifier”) will be used solely to identify your RWC Business in accordance with the Franchise Agreement. We may require you to obtain from us and use an email address associated with our registered domain name. If we require you to obtain and use such an email address, you must do so according to our then-current terms and conditions and System Standards. You acknowledge and agree that we will have unrestricted access to and sole ownership of all such email accounts, and all documents, data, materials, and messages shared from or by such accounts. We may deactivate any such account or limit your or your users’ access to it at any time. We may charge you a fee for each email address with which we provide you.

We may market the System on the Internet, including ownership and use of any Online Presence and Contact Identifiers. We will maintain one or more consumer-focused websites for the Brand (the

“System Website”) and list and advertise your RWC Business on all major Internet search engines, and on all major Internet consumer review websites. We may require that you: (1) provide us the information and materials we request to develop, update, and modify any System Website; and (2) notify us whenever any information on the System Website regarding you or your RWC Business is not accurate.

Technology System

You must obtain and use all aspects of the Technology System, including the computer hardware, software, and technology services we periodically designate. Currently, the Technology System consists of: (a) laptop, smart phone, monitor, docking station, computer mouse, and keyboard, which is purchased from unaffiliated third-parties; and (b) certain software programs, including a designated business management services software. We may modify specifications for and components of the Technology System at any time during the term of your Franchise Agreement, which will be reflected in the Operations Manual, and there are no limitations on our ability to do so. You are responsible for ensuring all required upgrades, patches, new releases or updates to any aspect of the Technology System are downloaded and implemented, and there are no contractual limitations on the frequency or any associated costs associated with this obligation (if any). We may periodically require you to purchase, lease, and/or license new or modified computer hardware and/or software and to obtain service and support for the Technology System. Currently, we estimate the Technology System to cost approximately \$1,000 to \$6,000, plus additional expenses related to acquiring and maintaining required software programs (including licenses for business management services software, which we estimate to be \$50 to \$70 per user per month). You will be solely responsible for maintaining, supporting, and upgrading components of the Technology System. We estimate those costs to be \$2,000 to \$3,000 per year, which may vary depending on the vendor and the maintenance or support required.

The Technology System may give us and our affiliates access to all information generated by the Technology System, including price maintenance and information relating to clients, financial and operating information, and key metric data for your RWC Business, and there are no contractual limitations on our ability to access such information. At our request, you must sign a release with any supplier of your Technology System providing us with unlimited, independent access to your data.

Training Programs

We will provide your Operating Principal and your Designated Manager, if applicable, with an initial training program for the operation of an RWC Business (the “Initial Training Program”). Currently, the Initial Training Program is a combined format of digital and in-person training. The digital training portion will consist of a minimum of 10 weeks of virtual training. The virtual training will include a weekly pre-recorded video, accompanied by a weekly group coaching call. These virtual trainings will be accompanied by a franchisee homework assignment. During the group coaching call, Franchisee will attend the call with other franchisees from various locations. Additionally, Franchisor will provide an individual firm coaching call a minimum of twice per month. The in-person training will occur at our office in Pittsburgh, PA and is estimated to last approximately 3 to 5 days, though we may conduct the in-person sessions virtually or at another location we specify. We may vary the Initial Training Program based on the experience and skill level of the individual(s) attending.

The Initial Training Program will be run in “cohorts” with other franchisees. We will provide the Initial Training Program to your Operating Principal and your Designated Manager, if applicable, at no charge, as such training is covered by your Initial Franchise Fee. If we provide any portion of the Initial Training Program on-site at our headquarters or at any other location determined by us, you are responsible for all expenses associated with attending the Initial Training Program, including wages, travel, lodging, and other accommodations. Should any portion of the Initial Training Program take place at your RWC

Business, we may charge you for all travel and living expenses for the trainer(s) we send to your RWC Business.

Your Operating Principal and your Designated Manager, if applicable, must complete the Initial Training Program to our satisfaction prior to opening your RWC Business for operations, and in any event within 180 days of signing the Franchise Agreement. If your Operating Principal and your Designated Manager, if applicable and any other required trainees (detailed below) fail to complete the Initial Training Program to our satisfaction, we may require you to attend additional training. If you or we determine that additional training is necessary after completion of the Initial Training Program, we may provide up to 3 additional days of training to you at our then-current fee for additional training (currently \$1,000 per trainer, per day, plus costs and expenses).

If a Designated Manager is hired during the operation of your RWC Business, the Designated Manager will be required to complete the Initial Training Program to our satisfaction before the Designated Manager may provide services for your RWC Business. You will be responsible for paying us the then-current fee to administer the Initial Training Program to any of your future Designated Managers as well as any additional expenses incurred in connection with such training, including any costs associated with your Designated Manager attending such training at our designated training site. This fee may increase without notice to you.

If we determine that your Operating Principal or your Designated Manager, if applicable, are not properly trained to provide to clients the services offered by your RWC Business, we may require such person to cease providing services for your RWC Business and/or to be trained by us at our then-current training fee (currently \$1,000 per trainer, per day, plus costs and expenses). In addition, if we determine that your Operating Principal or your Designated Manager require refresher training during the term of your Franchise Agreement, we may require such individuals to retake all or a portion of the Initial Training Program. Additional training will be provided at a time and location of our choice, whether requested by you or us. You will be charged the then-current rate for additional training, plus the cost of transportation, lodging, and other associated expenses. If your Operating Principal or your Designated Manager, if applicable, are unable or unwilling to complete the additional required training to our satisfaction, we may terminate the Franchise Agreement. If you or your Operating Principal or your Designated Manager, if applicable, complete the training programs to our satisfaction and have not expressly informed us at the end of the program that your Operating Principal or your Designated Manager do not feel sufficiently trained in the operation of an RWC Business, then you and they will be deemed to have been trained sufficiently to operate an RWC Business.

We currently offer the Initial Training Program on a regularly scheduled, as-needed basis, but we may periodically modify this schedule at any time. Should you request that we send on-site assistance to your RWC Business at any time during the term of your Franchise Agreement, or should we find it necessary to provide such on-site assistance for any reason, you will be charged then-current training fee, per trainer, plus travel and living expenses and out-of-pocket costs. We may increase this charge at any time.

You must pay all travel and living expenses (including, wages, transportation, food, lodging, and workers' compensation insurance) that your Operating Principal or your Designated Manager (if applicable) incurs during any and all meetings and/or training courses and programs. You are also responsible for the travel and living expenses and out-of-pocket costs we incur in sending our trainer(s) to the designated location to conduct training, including food, lodging, and transportation. You understand and agree that any specific ongoing training or advice we provide does not create an obligation (whether by course of dealing or otherwise) to continue to provide such specific training or advice, all of which we may periodically discontinue and modify.

Our training program is conducted primarily by our Chief Executive Officer & Director, Tim Sechler, who has 13 years of experience in the subjects taught and has been with us since our inception in 2024, and our Director of Operations, Blake Lertzman, who has 7 years of experience in the subjects taught and has been with us since our inception in 2024. Other individuals who may provide portions of our training program include RJon Robins, our Director, who has over 10 years of experience in the subjects taught and has been with us since our inception in 2024, and David Carrier, who has 34 years of experience in estate planning and elder law and has been with us since our inception in 2024.

The instructional materials used in the Training Programs are the Operations Manual. Our current Training Program consists of the following:

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Intake and Sales	8	2	Virtually or at a location we designate
Marketing	6	1	Virtually or at a location we designate
Financial Metrics	2	0	Virtually or at a location we designate
Workshops and Club Events	15	3	Virtually or at a location we designate
Tech and Financial Reporting	5	0	Virtually or at a location we designate
Legal Production Concepts	2	0	Virtually or at a location we designate
Strategic Planning and Calendaring	2	0	Virtually or at a location we designate
Club Benefit Delivery	6	4	Virtually or at a location we designate
Total	46	10	

Additional Training and Conferences

We may require you (or your Operating Principal) and/or your Designated Manager to attend various ongoing training events, participate in online sessions, view training videos and/or attend regional training or training at another event such as an annual meeting or convention, at the times and locations designated by us, including courses and programs provided by third parties we designate. Besides attending these training courses, programs, and events, we may also require you to attend an annual conference of franchise owners. We will decide when and where this conference will be held, which may include through a virtual platform. Attendance at additional training courses, programs, events, or the annual franchise owner conference may be required for up to 10 days during a calendar year (which days may not necessarily be consecutive). We may charge a fee for these types of ongoing training activities, and you will be responsible for all costs associated with attending such programs, courses, events, or meetings.

ITEM 12.
TERRITORY

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

You may operate your RWC Business from the office of the Affiliate Law Firm Business. If you operate your RWC Business from any other space, then you must obtain our approval prior to relocation, which will not be unreasonably withheld. Once you have identified the premises for your RWC Business, we will designate a protected territory around your RWC Business within which you will have certain protected rights (the “Protected Territory”).

Your Protected Territory will typically contain a maximum of 200,000 targeted households as determined by us (or our designee) and you prior to signing the Franchise Agreement. The size of your Protected Territory may vary from the territory granted to other franchisees based on the location and demographics surrounding your RWC Business.

The boundaries of your Protected Territory may be described in terms of Zip Codes, streets, landmarks (both natural and man-made) or county lines, or otherwise delineated on a map. If we determine, in our discretion, to base your Protected Territory on population, then the sources we use to determine the population within your Protected Territory will be supplied by (a) the territory mapping software we determine to license or otherwise use, or (b) publicly available population information (such as data published by the U.S. Census Bureau or other governmental agencies and commercial sources).

As long as you are in compliance with your Franchise Agreement, we will not operate, or grant a license to a third-party to operate, during the term of your Franchise Agreement, an RWC Business located within the Protected Territory, subject to our reservation of rights below.

You will not be permitted to intentionally place advertisements in the protected territory of another Red Wagon Club franchisee at any time during the term of your Franchise Agreement. However, you and other RWC Businesses will be able to provide services to potential clients that visit or otherwise reach out to your RWC Businesses.

Your rights to the Protected Territory are dependent on your compliance with your obligations under the Franchise Agreement and your meeting of a certain minimum quarterly Membership Agreement quota (the “Performance Requirement”), as follows:

Minimum Number of New Membership Agreements During Each Measurement Period	Measurement Period
25	From the later of the opening of Franchisee’s RWC Business or the 2 nd fiscal quarter of such year through the end of the 1 st calendar year of the term of your Franchise Agreement
30	2 nd calendar year of the term of your Franchise Agreement
36	3 rd calendar year of the term of your Franchise Agreement
42	4 th calendar year of the term of your Franchise Agreement
48	5 th calendar year of the term of your Franchise Agreement

If you fail to meet the Performance Requirement, we, in our discretion, may institute a mandatory corrective training program, reduce or eliminate the Protected Territory, or terminate your Franchise Agreement upon written notice to you.

Businesses Operated Under Other Trademarks

Although we are not restricted from doing so, we and our affiliates have not established, operated or franchised, and do not currently intend to establish, operate, or franchise, any other franchises or company-owned outlets offering similar services or goods under a different trademark anywhere in the United States.

Additional Rights

We do not grant options, rights of first refusal, or similar rights to acquire additional franchises.

Reservation of Rights

We reserve for ourselves and our affiliates all rights that are not expressly granted to you in the Franchise Agreement and the right to do all things that we do not expressly agree in the Franchise Agreement not to do, in each case, without compensation to you, without regard to proximity to your RWC Business, and on such terms and conditions as we deem appropriate. For example, we and our affiliates, ourselves or through authorized third parties, may (and you are not permitted to) do the following:

(1) own and operate, and license others to own and operate, RWC Businesses using the System and the Marks on such terms and conditions we deem appropriate outside of your Protected Territory, as applicable;

(2) while we and our affiliates do not currently do so, and have no current plans to do so, we and our affiliates may develop or become associated with other businesses, including other membership-based concepts and systems that offer the same or similar services, and/or award franchises under such other concepts, provided that, if located in your Protected Territory, as applicable, such businesses are not identified by the Marks (although they may, in our discretion, use and incorporate certain other elements of System and System Standards);


(3) acquire or be acquired by, merge or affiliate with, or engage in any transaction with other businesses (whether or not competitive) located anywhere and (i) convert the other businesses to RWC Businesses, (ii) allow the other businesses to operate as part of or to use the elements of the System, and/or (iii) permit the other businesses to continue to operate under another name;

(4) solicit members and customers, advertise, and authorize others to advertise, and promote sales of RWC Businesses anywhere, including within the Protected Territory, and enter into Membership Agreements; and

(5) market and sell, and grant to others the right to market and sell, anywhere (inside and outside your Protected Territory) through alternative channels of distribution (for example, through the Internet, catalog sales, telemarketing, direct marketing, e-commerce, and product lines in other businesses), any product or service identified by the Marks or any other trademarks, whether or not authorized for sale at RWC Businesses and whether similar to or different than products or services authorized for sale at RWC Businesses.

ITEM 13.
TRADEMARKS

The following table sets forth the list of our principal Marks and the status of applications filed with the U.S. Patent and Trademark Office for the Principal Register to protect the principal Marks:

Mark	App. Number	Application Date
RED WAGON CLUB (Word Mark)	98259323	November 7, 2023
	98609112	June 19, 2024

We do not have a federal registration for our principal trademarks. Therefore, our trademarks do not have as many legal benefits and rights as a federally registered trademark. If our right to use any trademark is challenged, you may have to change to an alternative trademark, which may increase your expenses.

All required affidavits of use will be filed in a timely manner. There is presently no effective determination of the U.S. Patent and Trademark Office, the Trademark Trial & Appeal Board, the trademark administrator of any state or any court, nor any pending infringement, opposition or cancellation proceeding or any pending material litigation involving our principal Marks.

We grant you a non-exclusive license to use the Marks to operate your RWC Business, subject to the terms of your Franchise Agreement. You must at all times faithfully, honestly, and diligently promote the Marks in connection with operating your RWC Business. You may use the Marks only for your RWC Business, and only according to your Franchise Agreement and in accordance with System Standards. You have no right to sublicense or assign your right to use the Marks. You may not use any other trademarks, service marks or commercial symbols to identify or operate your RWC Business.

You must identify yourself as the independent owner of your RWC Business in the manner we prescribe. You may not use any Mark (1) as part of any corporate or legal business name; (2) with any prefix, suffix, or other modifying words, terms, designs, or symbols (other than logos we have licensed to you); (3) in selling any unauthorized services or products; (4) as part of Online Presence; (5) in advertising the transfer, sale, or other disposition of your RWC Business or an ownership interest in you; or (6) in any other manner that we have not expressly authorized in writing. You must give the notices of trademark registrations that we specify and to obtain any fictitious or assumed name registrations required under applicable law.

We license the Marks from RWC IP under a License Agreement dated June 27, 2024 (the “License Agreement”). The term of the License Agreement will continue for 99 years from its effective date unless terminated. The License Agreement may be terminated (resulting in the loss of our right to use and to sublicense the use of the Marks to you) by mutual agreement of the parties, or by RWC IP for a number of reasons, including if we default on any obligations, we are dissolved, make an assignment for the benefit of creditors, become insolvent, consent to appointment of a receiver, or our business is seized, or the parties cease to be affiliates. All rights in and goodwill from the use of the Marks accrue to RWC IP. Except as described above, no agreement significantly limits our rights to use or sublicense the Marks in a manner material to the franchise.

The Marks may evolve over time, including after you sign the Franchise Agreement, as we evaluate the best way to promote the System. If we decide to modify, substitute, add or discontinue the use of any Marks for the System, we may at any time require you to modify, substitute, add, or discontinue using any Mark and/or use one or more additional or substitute Marks. You must replace the Marks at your RWC Business with the modified, additional or substitute Marks we specify and comply with all other directions we give regarding the Marks at your RWC Business within a reasonable time after receiving notice from us. We are not required to reimburse you for any costs or expenses associated with making changes or promoting a modified or substitute Mark, or for any loss of revenue due to any modified or discontinued Mark.

We know of no superior rights or infringing uses that could materially affect your use of the Marks in any state. You must notify us immediately of any apparent infringement or challenge to your use of any Mark, or of any person’s claim of any rights in any Mark, and you may not communicate with any person other than us and our affiliates’ attorneys, regarding any infringement, challenge or claim. We and/or RWC IP may take the action we deem appropriate and exclusively control any litigation or proceeding from the infringement, challenge or claim or otherwise concerning any Mark. You must sign the documents and take the actions that, in the opinion of our attorneys, are necessary or advisable to protect and maintain our interests in the Marks. We will reimburse you for all damages and expenses that you incur in responding to any trademark infringement proceeding disputing your use of any Marks, if you have notified us immediately of the proceeding, and complied with our directions in responding to it. You must not contest, or assist any other person in contesting, the validity of our and RWC IP’s ownership of the Marks. Your use of the Marks and any goodwill established by that use are exclusively for our and RWC IP’s benefit.

Under the Franchise Agreement, we must indemnify you against, and reimburse you for, all damages for which you are held liable in any proceeding in which your use of any Mark in compliance with the Franchise Agreement is held to constitute trademark infringement, and for all reasonable costs you incur in the defense of any claim brought against you or in any proceeding in which you are named as a party, only if you have timely notified us of the claim or proceeding and comply with our directions in responding to the proceeding. At our option, we and/or RWC IP may defend and control the defense of any proceeding from your use of any Mark under the Franchise Agreement.

ITEM 14.
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We do not own any patents, pending patent applications, or registered copyrights that are material to the franchise. However, we and our affiliates claim copyrights in the Operations Manual (which contains our trade secrets), handbooks, the System Website, advertising and marketing materials, all or part of the Marks, and other portions of the System and other similar materials used in operating RWC Businesses. We have not registered these copyrights with the United States Registrar of Copyrights but need not do so

at this time to protect them. You may use these items only as we specify while operating your RWC Business (and must stop using them if we so direct you).

There currently are no effective adverse determinations of the United States Copyright Office (Library of Congress) or any court regarding the copyrighted materials. No agreement limits our right to use or allow others to use the Confidential Information (defined below) or copyrighted materials. We know of no infringing uses of our copyrights which could materially affect your using the copyrighted materials in any state. We need not protect or defend our copyrights, although we intend to do so if we determine that it is in the System's best interests. We may control any action involving the copyrights, even if you voluntarily bring the matter to our attention. We need not participate in your defense nor indemnify you for damages or expenses in a proceeding involving a copyright.

We and our affiliates possess (and may continue to develop and acquire) certain information we treat as confidential, some of which may constitute trade secrets under applicable law (the "Confidential Information"), relating to the System, whether or not marked confidential, including: (a) training and operations materials, including the Operations Manual and its contents; (b) the System Standards and other methods, formats, specifications, standards, systems, procedures, sales and marketing techniques, knowledge, and experience used in developing and operating RWC Businesses; (c) information regarding potential marketing, advertising and promotional programs and strategies related thereto, and analyses of the performance and results of such programs once implemented; (d) strategic plans, including expansion strategies and targeted demographics; (e) knowledge of, specifications for and suppliers of, and methods of ordering, Operating Assets and other products and supplies; (f) any computer software or similar technology which is proprietary to us or the System, including digital passwords and identifications and any source code of, and data, reports, and other printed materials generated by, the software or similar technology; (g) knowledge of the operating results and financial performance of RWC Businesses other than your RWC Business; (h) information generated by, or used or developed in, your RWC Business' operation, including information contained from time to time in the Technology System; (i) client and prospective client information; and (j) criteria for approving or rejecting proposed suppliers of any of the System Standards.

You must promptly disclose to us all ideas, concepts, methods, techniques, and products conceived or developed by you and/or any of your affiliates, owners, agents, representatives, contractors or employees relating to the development or operation of your RWC Business or other RWC Businesses ("Innovations"), whether or not protectable intellectual property and whether created by or for you or your owners or employees. All Innovations are our sole and exclusive property and works made-for-hire for us and shall constitute our Confidential Information. To the extent any Innovation does not qualify as a work made-for-hire for us, by this Section you assign ownership of that Innovation, and all related rights to that Innovation, to us and will sign (and to cause your owners, employees, and contractors to sign) whatever assignment or other documents we request to evidence our ownership or to help us obtain intellectual property rights in the Innovation. We and our affiliates have no obligation to make any payments to you or any other person with respect to any Innovations. You may not use any Innovation in operating your RWC Business or otherwise without our prior written approval.

You may not use our Confidential Information in an unauthorized manner. You must adopt and implement procedures to prevent unauthorized use or disclosure of Confidential Information, including restricting its disclosure to personnel of your RWC Business and certain other people and using non-disclosure and non-competition agreements with those having access to Confidential Information in a form determined by us. We may regulate the form of agreement that you use, and we will be a third-party beneficiary of that agreement with independent enforcement rights.

All Confidential Information is owned by us or our affiliates and you will use the Confidential Information only for the development, promotion, and operation of your RWC Business. You will not use

or sell Confidential Information to any third parties, and you will comply with all applicable laws governing the use and protection of Confidential Information.

ITEM 15.
OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISED BUSINESS

Ownership of an RWC Business is not a passive investment. You must identify one of your owners who is a natural person with at least a 51% ownership interest and voting power in you, with the authority to take legally binding actions on your behalf, to act as your “Operating Principal.” We must approve the Operating Principal prior to such individual having any involvement in your RWC Business. If your Operating Principal ceases to own at least a 51% ownership interest and voting interest in you, your Operating Principal resigns or otherwise indicates to us or to you that he or she wishes to cease acting as Operating Principal, or we disapprove of your Operating Principal, you must recruit a new Operating Principal within 30 days of the change in ownership or disapproval and submit to us all documents we request regarding the new Operating Principal for our review and approval. Your Operating Principal must, at all times, have direct, day-to-day, full-time supervision of your RWC Business. Your Operating Principal must attend all scheduled meetings and required trainings conducted by us for the purpose of further instruction, education, or informing you on topics involving the supervision of your RWC Business.

If your Operating Principal does not wish to supervise your RWC Business on a full-time basis, you must appoint a manager who has completed the Training Programs to work full-time to supervise the operation of your RWC Business (the “Designated Manager”). We may establish minimum qualifications for any such Designated Manager, which may include completion of training programs, confirmation that they will have no competitive business activities, and/or execution of a non-disclosure agreement or other covenants we require. If any Designated Manager ceases to act as your RWC Business’s Designated Manager, your Operating Partner must manage your RWC Business until such time as a replacement Designated Manager has satisfactorily completed the training programs and meets our then-current minimum qualifications. The Designated Manager does not need to own an equity ownership in you.

Any person owning an interest in you at any time during the Franchise Agreement’s term will execute a guaranty in the form we prescribe undertaking personally to be bound, jointly and severally, by all provisions of the Franchise Agreement and any ancillary agreements between you and us. Our current form of Guaranty and Assumption of Obligations is attached as Attachment B to the Franchise Agreement. The spouse of each owner will also be required to consent in writing to his or her spouse’s execution of the guaranty, which serves to bind the assets of the marital estate to the guarantor’s performance of the Guaranty and Assumption of Obligations.

ITEM 16.
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

To ensure that our standards and specifications of quality, service, and system development are maintained, you must operate your RWC Business in strict conformity with the Franchise Agreement and the methods, standards, specifications, and sources of supply that are designated in the Operations Manual. All products and services sold to clients by you and other franchisees will be provided by us and our affiliates. Your RWC Business will be the only business that you operate, unless otherwise approved by us.

You must: (1) offer for sale or sell in connection with your RWC Business the products and services that we periodically specify; (2) offer for sale or sell in connection with your RWC Business approved products and services only in the manner we have prescribed; (3) not offer for sale or sell in connection

with your RWC Business any products or services we have not approved; (4) discontinue selling and offering for sale any products or services that we at any time decide to disapprove; and (5) purchase and use only the brands, types, or models of products, materials, packaging, supplies and services (including the Operating Assets and the Technology System) that we designate for operating your RWC Business. Notwithstanding the foregoing, we do not restrict or limit in any manner the types of legal services the Affiliate Law Firm Business may provide. You may not, through your RWC Business, offer or provide legal services.

We have established a member reciprocity program whereby you must offer services to Members of other RWC Businesses. In connection with the reciprocity program, you must ensure that you and your RWC Business’s personnel are aware of all then-current System policies and procedures related to member reciprocity amongst other RWC Businesses that are part of the System. While you will market and promote Membership Agreements to potential clients, you may not enter into Membership Agreements with any of your clients. Rather, your clients will enter into Membership Agreements with OpCo under which you will provide services to such Members.

ITEM 17.

RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

This table lists important provisions of the Franchise Agreement and related agreements. You should read these provisions in the agreements attached to this Disclosure Document. As used in this chart, “FA” refers to the Franchise Agreement, and “SA” refers to the Sublicense Agreement.

Provision	Section in Franchise Agreement or related Agreement(s)	Summary of Franchise Provision
a. Length of the franchise term	FA - 3.A	The term of the Franchise Agreement is 5 years.
	SA - 1	The term of the Sublicense Agreement runs with the term of the Franchise Agreement.
b. Renewal or extension of the term	FA - 3.D	Two (2) additional terms of 5 years each.
	SA – 1	The term of the Sublicense Agreement runs with the term of the Franchise Agreement (including any renewal or extension thereof).

Provision	Section in Franchise Agreement or related Agreement(s)	Summary of Franchise Provision
c. Requirements for franchisee to renew or extend	FA - 3.D	You give us written notice of your desire to acquire a Successor Franchise no more than 12 months and no less than 180 days before the expiration of the then-current term; be in compliance with the Franchise Agreement and any other agreement with us and our affiliates through the term of such agreements; maintain possession of and bring your RWC Business into full compliance with then-current System Standards; you sign our then-current franchise agreement (modified as necessary to reflect the fact that it is for a Successor Franchise), which may contain materially different terms and conditions than the original Franchise Agreement that you sign (e.g., higher Program Fees); you pay the Successor Franchise fee of \$2,500; and you and your owners sign a general release.
	SA - Not Applicable	Not Applicable
d. Termination by franchisee	FA - 17.B	You may terminate if we violate a material and substantial provision of the Franchise Agreement and fail to remedy or make substantial progress towards curing the violation within 60 days after receiving written notice from you (subject to state law).
	SA - 10	You may terminate upon licensee's default.
e. Termination by franchisor without cause	FA - Not applicable	We may not terminate the Franchise Agreement without cause.
	SA - Not applicable	Not applicable
f. Termination by franchisor with cause	FA - 3.B, 17.A	We may terminate only upon (i) failure to meet the Performance Requirements, or (ii) an uncured or non-curable material event of default.
	SA - Not Applicable	Not Applicable
g. "Cause" defined—curable defaults	FA - 17.A	5 days to cure (i) violation of law, regulation, or ordinance; or (ii) failure to maintain required insurance. 10 days to cure failure to pay any amounts due to us or our affiliates. Applicable cure period for failure to pay third-party supplier. 30 days to cure any other provision of the Franchise Agreement not otherwise listed in section (h) of this Item 17, below.
	SA - Not Applicable	Not Applicable

Provision	Section in Franchise Agreement or related Agreement(s)	Summary of Franchise Provision
h. "Cause" defined—non-curable defaults	FA - 3B,17.A	You fail to meet the Performance Requirements; you make a material misrepresentation; failure to commence operations on time; failure to complete initial training to our satisfaction; abandonment or failure to operate your RWC Business; unauthorized transfer; felony conviction; dishonest or unethical conduct; loss of right to occupy the premises of your RWC Business; unauthorized use or disclosure of Confidential Information; failure to pay taxes; insufficient funds in your RWC Business Account on 3 or more occasions in a 12-month period; 3 or more breaches within a 12-month period; 2 or more of the same breaches within a 12-month period; assignment for benefit of creditors, insolvency, or bankruptcy; blocked assets based on violation of terrorism-related laws; any other franchise agreement between you and us is terminated (also known as a "cross-default"); you deposit or convert any funds received from clients in violation of the Franchise Agreement; or any other default of the Franchise Agreement is not cured within the applicable time period.
	SA - Not Applicable	Not Applicable
i. Franchisee's obligations on termination/non-renewal	FA - 18	Under the Franchise Agreement: pay all amounts owed; cease use of Marks; return Confidential Information; abide by post-termination non-compete; surrender any websites, social media accounts, or other Online Presences; pay lost revenue damages (if applicable).
	SA - Not Applicable	Not Applicable
j. Assignment of contract by franchisor	FA - 16.A	No restrictions on our right to assign.
	SA – Not Applicable	We are not party to the Sublicense Agreement.
k. "Transfer" by franchisee—defined	FA - 16.B	Includes any voluntary, involuntary, direct, or indirect assignment, sale, gift, or other disposition, including transfer by reason of merger, consolidation, issuance of additional securities, death, disability, divorce, insolvency, foreclosure, surrender or by operation of law.

Provision	Section in Franchise Agreement or related Agreement(s)	Summary of Franchise Provision
	SA - 11	Includes any transfer of the Sublicense Agreement or of stock or ownership interests or other voting or beneficial control of the Affiliate Law Firm Business, including by merger or reorganization, and/or any sale of all or substantially all of Affiliate Law Firm Business's assets.
l. Franchisor approval of transfer by franchisee	FA - 16.C	We have the right to approve all transfers.
	SA - 11	Neither you nor the Affiliate Law Firm Business may assign the Sublicense Agreement except in connection with the permitted assignment of the Franchise Agreement.
m. Conditions for franchisor approval of transfer	FA - 16.C	You submit an application regarding the proposed transferee; you provide us executed purchase documents and other documents we require; you and transferee sign a consent to transfer, which will contain a general release, and all other documents requested by us; you have paid all amounts owed; you have not violated any provision of the Franchise Agreement within 60 days; the transferee has completed initial training to our satisfaction; transferee signs our then-current form of franchise agreement, which may contain terms materially different than the Franchise Agreement attached to this Disclosure Document; landlord approval (if applicable); pay transfer fee; you subordinate to us any financing you provide to the transferee; you correct any deficiencies and transferee agrees to remodel and renovate the office of your RWC Business; transfer all licenses and permits.
	SA - 11	Neither you nor the Affiliate Law Firm Business may assign the Sublicense Agreement except in connection with the permitted assignment of the Franchise Agreement.
n. Franchisor's right of first refusal to acquire franchisee's business	FA - 16.E	We have the right, but no obligation, to match any offer to buy your RWC Business within 30 days of notice of the offer, and we have no less than 60 days to prepare for closing. If change in terms of sale, we have an additional right of first refusal for 30 days.
	SA - Not Applicable	Not Applicable

Provision	Section in Franchise Agreement or related Agreement(s)	Summary of Franchise Provision
o. Franchisor’s option to purchase franchisee’s business	FA - 19	Upon the expiration of the Franchise Agreement and any successor franchise granted to you, or the termination of the Franchise Agreement by you without cause or by us (each a “Termination Event”), we may purchase the assets of your RWC Business for the net realizable value of the tangible assets in accordance with the liquidation basis of accounting (not the value of your RWC Business as a going concern) (“Liquidation Value”), and assume the lease for your RWC Business upon the expiration of the Franchise Agreement and any successor franchise granted to you, or the termination of the Franchise Agreement as a result of a Termination Event. In the case of a Termination Event, we have 60 days from the Termination Event to provide you with written notice of our election to purchase your RWC Business.
	SA – Not Applicable	Not Applicable
p. Death or disability of franchisee	FA - 16.D	Upon death/disability of Operating Partner, must appoint a new Operating Partner within 30 days. Franchise must be assigned to approved transferee in 12 months.
	SA – Not Applicable	Not Applicable
q. Non-competition covenants during the term of the franchise	FA -8	You, your owners, or any of your or their immediate family members, cannot be involved in a Competitive Business during the term of the Franchise Agreement. A “Competitive Business” means (1) any membership-based business that is affiliated with a law firm that provides non-legal services to clients or members (including, but not limited to, training, social events, and seminars); or (2) any businesses granting franchises or licenses to others to operate the type of businesses specified in subparagraph (1). You must not disparage or negatively impact us in any way.
	SA – 8	The Affiliate Law Firm Business and their affiliates, owners, and immediate family members may not engage in a Competitive Business.
r. Non-competition covenants after the franchise is terminated or expires	FA - 18.E	You, your owners, affiliates, and family members may not engage in a Competitive Business for 24 months following the termination or expiration of the Franchise Agreement.

Provision	Section in Franchise Agreement or related Agreement(s)	Summary of Franchise Provision
	SA – 8	The Affiliate Law Firm Business and their affiliates, owners, and immediate family members may not engage in a Competitive Business for 24 months following the termination or expiration of the Sublicense Agreement.
s. Modification of the agreement	FA - 20.M	No modifications except with the prior written consent of both you and us, except that we are permitted to amend the Marks at any time. We are permitted to amend the Operations Manual and System Standards at any time, and you are required to comply with the Operations Manual and System Standards as amended.
	SA - 13.(f)	No modifications except with the prior written consent of you, the Affiliate Law Firm Business, and us. We are permitted to amend the Marks, the Operations Manual, and System Standards at any time, and the Affiliate Law Firm Business is required to comply with such amendments.
t. Integration/merger clause	FA - 20.N	Only the written terms of the Franchise Agreement and other related written agreements are binding (subject to state law). Any representations or promises outside this Disclosure Document and Franchise Agreement may not be enforceable.
	SA – Not Applicable	Not Applicable
u. Dispute resolution by arbitration or mediation	FA - 20.A, 20.B SA - 12	<p>Either of us may initiate a mediation proceeding by notifying the other in writing. Regardless of who initiates the mediation, the mediation will be conducted at a location in or within 50 miles of our or our successor’s or assign’s current place of business (currently, Coconut Grove, Florida) (subject to state law, if applicable) unless we and you agree upon a mutually acceptable alternative location.</p> <p>We and you must arbitrate all disputes that are not resolved by mediation at a location in or within 50 miles of our or our successor’s or assign’s current principal place of business (currently, Coconut Grove, Florida) (subject to state law).</p>
v. Choice of forum	FA - 20.H SA - 12	Subject to applicable state law and our mediation and arbitration requirements, litigation must take place in the court nearest to our current corporate headquarters (currently Coconut Grove, Florida).

Provision	Section in Franchise Agreement or related Agreement(s)	Summary of Franchise Provision
w. Choice of law	FA - 20.G SA - 12	Subject to applicable state law, the Agreement, the Franchise, and all claims arising from the relationship between us and you will be governed by the laws of the State of Florida, without regard to its conflict of laws rules, except that (1) any state law regulating the offer or sale of franchises or governing the relationship of a franchisor and its franchisee will not apply unless its jurisdictional requirements are met independently, and (2) the enforceability of those provisions of the Agreement which relate to restrictions on you and your owners' competitive activities will be governed by the laws of the state in which your RWC Business is located.

ITEM 18.
PUBLIC FIGURES

We do not currently use any public figure to promote our franchise system, but we may do so in the future.

ITEM 19.
FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the Disclosure Document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting our Chief Executive Officer & Director, Tim Sechler at 2801 Florida Avenue, Suite C, Coconut Grove, Florida 33133, (724) 750-6185, the Federal Trade Commission; and the appropriate state regulatory agencies.

ITEM 20.
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
Systemwide Outlet Summary
For Years 2021, 2022, 2023¹

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2021	0	0	0
	2022	0	0	0
	2023	0	0	0
Company-Owned ²	2021	0	0	0
	2022	0	2	2
	2023	2	2	2
Total Outlets	2021	0	0	0
	2022	0	2	2
	2023	2	2	2

1. The numbers in this table and elsewhere in this Item 20 are as of May 31.
2. Two of our Directors, Tim Sechler and David Carrier, operate RWC Businesses, so we have included their respective RWC Businesses as company-owned locations.

Table No. 2
Transfers of Outlets from Franchisees to New Owners (other than Franchisor)
For Years 2021, 2022, 2023

State	Year	Number of Transfers
All States	2021	0
	2022	0
	2023	0
Total	2021	0
	2022	0
	2023	0

Table No. 3
Status of Franchised Outlets
For Years 2021, 2022, 2023

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired By Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
All States	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired By Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
Total	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0

Table No. 4
Status of Company-Owned Outlets
For Years 2021, 2022, 2023

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
Michigan	2021	0	0	0	0	0	0
	2022	0	1	0	0	0	1
	2023	1	0	0	0	0	1
Pennsylvania	2021	0	0	0	0	0	0
	2022	0	1	0	0	0	1
	2023	1	0	0	0	0	1
Total¹	2021	0	0	0	0	0	0
	2022	0	2	0	0	0	2
	2023	2	0	0	0	0	2

1. Tim Sechler and David Carrier, two of our Directors, each operate an RWC Business, so we have included these as company-owned locations.

Table No. 5
Projected Openings for 2024

State	Franchise Agreements Signed but Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
Georgia	0	1	0
Michigan	0	1	0
Ohio	0	2	0
North Carolina	0	1	0
Total	0	5	0

We began offering franchises as of the date of this Disclosure Document, and therefore, we do not have any franchisee contact information to disclose. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

During the last three years, no current or former franchisees have signed provisions restricting their ability to speak openly about their experience with the Red Wagon Club franchise system.

We are not currently aware of any trademark-specific franchisee organizations associated with our franchise system.

ITEM 21.
FINANCIAL STATEMENTS

We were formed on June 27, 2024, and therefore, we are unable to provide three years of financial statements. Attached to this Disclosure Document as Exhibit D is our audited opening balance sheet as of July 16, 2024. Our fiscal year end is May 31.

ITEM 22.
CONTRACTS

The following contracts and related agreements are attached to this Disclosure Document:

Exhibit A	Franchise Agreement
Exhibit B	Sublicense Agreement
Exhibit F	Form of General Release
Exhibit H	Representations and Acknowledgment Statement

ITEM 23.
RECEIPTS

Attached as Exhibit I are two copies of a Receipt confirming your receipt of this Disclosure Document. Please sign and date both Receipt pages, keep one for your records, and return the other to us.

EXHIBIT A

FRANCHISE AGREEMENT

RED WAGON CLUB FRANCHISE, LLC

**RED WAGON CLUB™
FRANCHISE AGREEMENT**

Franchisee

Office Address

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EXHIBITS

ATTACHMENT A	Listing of Ownership Interests
ATTACHMENT B	Guaranty and Assumption of Obligations
ATTACHMENT C	EFT Authorization Form

RED WAGON CLUB FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (the “**Agreement**”) is made effective as of the Effective Date by and between **RED WAGON CLUB FRANCHISE, LLC**, a Florida limited liability company, with its principal business address at 2801 Florida Avenue, Suite C, Coconut Grove, Florida 33133 (“**Franchisor**”), and the person or entity identified as “**Franchisee**” in the signature blocks below (“**Franchisee**”). The Effective Date is the date on which Franchisor signs this Agreement as shown beneath Franchisor’s signature hereto.

1. RED WAGON CLUB FRANCHISE.

Franchisor grants franchises (each a “**Franchise**”) for the right to operate non-legal membership-based businesses (each a “**RWC Business**”) that are identified by, and whose products and services are identified by, the trademark *Red Wagon Club*TM (together with other trademarks and service marks Franchisor designates from time to time, the “**Marks**”), that offer, separately from and as a complement to existing affiliated law firm businesses (each a “**Law Firm Business**”), a variety of non-legal social events, estate planning seminars, and membership benefits to clients (“**Members**”) who have signed membership agreements (“**Membership Agreements**”) with Franchisor or its affiliate, and that are developed and operated using certain business formats, methods, procedures, standards, and specifications that Franchisor specifies and that Franchisor may further develop or otherwise modify (collectively, the “**System**”). Franchisee has asked Franchisor to grant Franchisee a Franchise. To support Franchisee’s request, Franchisee and, if applicable, its owners have provided Franchisor with information about Franchisee and its background, experience, skills, financial condition and resources (the “**Application Materials**”). In reliance on, among other things, the Application Materials, Franchisor is willing to grant a Franchise on the terms and conditions contained in this Agreement. Franchisor refers to the RWC Business that Franchisee develops, owns, and operates under this Agreement as “**Franchisee’s RWC Business.**” For purposes of this Agreement, Franchisor and Franchisee acknowledge and agree that Franchisee’s RWC Business does not include the existing law firm business (“**Affiliate Law Firm Business**”) with which Franchisee enters into a Sublicense Agreement (defined below) (“**Affiliate Law Firm Business Owner**”) and that the RWC Business only provides non-legal services to Members as part of the System. Concurrently with Franchisor and Franchisee’s execution of this Agreement, Franchisee and Affiliate Law Firm Business Owner are entering into that certain sublicense agreement (the “**Sublicense Agreement**”), pursuant to which Franchisee will license to Affiliate Law Firm Business Owner certain rights for it to use Franchisor’s confidential information and certain intellectual property in connection with the Affiliate Law Firm Business, on the terms and conditions set forth therein.

2. FRANCHISEE OWNERSHIP STRUCTURE.

Franchisee must operate Franchisee’s RWC Business and sign this Agreement, acknowledging that it agrees and represents that:

(1) Franchisee is validly existing and in good standing under the laws of the state in which it was formed, and has the authority to execute, deliver, and perform its obligations under this Agreement and all related agreements;

(2) Franchisee’s organizational documents state that this Agreement restricts the issuance and transfer of any of its ownership interests, and all certificates and other documents representing its ownership interests will bear a legend referring to this Agreement’s restrictions;

(3) Attachment A to this Agreement completely and accurately describes all of Franchisee’s owners and their interests in Franchisee as of the Effective Date. Subject to

Franchisor's rights and Franchisee's obligations under this Agreement, Franchisee and its owners agree to sign and deliver to Franchisor a revised Attachment A to reflect any changes in Franchisee's ownership information;

(4) Any person owning an interest in Franchisee at any time during this Agreement's term will execute a guaranty in the form Franchisor prescribes, undertaking personally to be bound, jointly and severally, by all provisions of this Agreement and any ancillary agreements between Franchisee and Franchisor. Franchisor's current form of guaranty is attached hereto as Attachment B;

(5) Franchisee must identify one of its owners on Attachment A who is a natural person with at least a 51% ownership interest and voting power in Franchisee, with the authority to take legally binding actions on Franchisee's behalf, to act as its "**Operating Principal**." Franchisor reserves the right to approve the Operating Principal. In the event that Franchisee's Operating Principal ceases to own at least a 51% ownership interest and voting interest in Franchisee, Franchisee's Operating Principal resigns or otherwise indicates to Franchisor or to Franchisee that he or she wishes to cease acting as Operating Principal, or Franchisor disapproves of the Operating Principal, Franchisee must recruit a new Operating Principal within 30 days of the change in ownership or disapproval and deliver to Franchisor a revised Attachment A to accurately identify the Operating Principal for its review and approval;

(6) Franchisee agrees that the Operating Principal is authorized to deal with Franchisor on Franchisee's behalf for all matters whatsoever that may arise with respect to this Agreement. Any decision made by the Operating Principal will be final and binding on Franchisee and Franchisor will be entitled to rely solely on the decision of the Operating Principal without discussing the matter with any other party. Franchisor will not be held liable for any actions based on any decision or actions of the Operating Principal; and

(7) Franchisee's RWC Business will be the only business that Franchisee operates under Franchisee's entity, unless otherwise approved by Franchisor.

3. FRANCHISEE RIGHTS.

3.A. GRANT AND TERM OF FRANCHISE.

Subject to this Agreement's terms and conditions, Franchisor grants Franchisee a Franchise to operate Franchisee's RWC Business only from the Office (as hereinafter defined) identified in Exhibit A or that Franchisor subsequently approves as described in Section 4 below, and at no other location. The term of this Agreement begins on the Effective Date and expires on the fifth (5th) anniversary of the Effective Date, unless sooner terminated as provided herein (the "**Term**").

3.B. FRANCHISE TERRITORY.

Subject to the Performance Requirements, as defined below, and provided Franchisee is in full compliance with the terms and conditions of this Agreement and all other agreements with Franchisor and its affiliates, Franchisor and its affiliates will not operate or grant a franchise for the operation of another RWC Business within the territory described in Exhibit A attached hereto (the "**Territory**"). There is no minimum area or configuration that will comprise the Territory. Franchisor reserves the right to determine the size and shape of the Territory in Franchisor's sole and final judgment. Franchisee acknowledges and agrees that the territorial protection granted under this Section 3.B is contingent upon Franchisee obtaining

the following minimum Membership Agreements for Franchisee’s RWC Business (collectively, the “Performance Requirements”):

Minimum Number of New Membership Agreements During Each Measurement Period	Measurement Period
25	From the later of the opening of Franchisee’s RWC Business or the 2 nd fiscal quarter of such year through the end of the first calendar year of the Term
30	Second calendar year of the Term
36	Third calendar year of the Term
42	Fourth calendar year of the Term
48	Fifth calendar year of the Term

If Franchisee fails to satisfy any of the Performance Requirements, Franchisor may, at its discretion, require Franchisee to complete additional training, reduce or eliminate the Territory, or terminate this Agreement.

3.C. RIGHTS FRANCHISOR RESERVES.

Franchisor retains all rights to conduct and authorize anyone else to conduct any business activities of any kind whatsoever and do anything other than what Franchisor has specifically and expressly agreed in Section 3.B to refrain from doing, at all times before, during and after the Term, without limitation and without compensation to Franchisee, regardless of the nature or location of such activities or their customers, and including any business offering or selling products or services that are similar to, the same as, or competitive with, those that RWC Businesses customarily offer or sell, including, the right to:

- (1) own and operate, and license others to own and operate, RWC Businesses using the System and the Marks on such terms and conditions Franchisor deems appropriate outside of Franchisee’s Territory;
- (2) develop or become associated with other businesses, including other social or membership-based clubs, and/or award franchises under such other concepts for locations whether or not using the System and/or the Marks;
- (3) acquire, be acquired by, merge or affiliate with, or engage in any transaction with other businesses (whether or not competitive) located anywhere and (i) convert the other businesses to RWC Businesses and to allow them to operate as part of the System, and/or (ii) permit the other businesses to continue to operate under another name;
- (4) solicit Members and customers, advertise, and authorize others to advertise, and promote sales of RWC Businesses; and
- (5) market and sell, and grant to others the right to market and sell, products and services that are authorized for sale at Businesses through other or alternative channels of distribution (for example, through the Internet, telemarketing, mail order, e-commerce and catalog sales, and product lines in other businesses) using the Marks or other trademarks and commercial symbols.

3.D. FRANCHISEE’S RIGHT TO ACQUIRE A SUCCESSOR FRANCHISE.

Subject to this Section 3.D. and if Franchisor is then granting Franchises, Franchisee may acquire, separately, two (2) consecutive successor Franchises of five (5) years each. The acquisition of the first

successor Franchise will be subject to this Section 3.D, and the acquisition of the second (and any subsequent) successor Franchise will be subject to the franchise agreement whose term is expiring. If Franchisee desires to acquire a successor Franchise under the Agreement, then each of the following conditions must be met before and/or at the time of acquisition (as appropriate):

(1) Franchisee must have given Franchisor written notice of its election to acquire a successor Franchise not less than 180 days nor more than 12 months before the end of the Term;

(2) Franchisee must have taken, at its expense, all steps identified by Franchisor to bring Franchisee's RWC Business into full compliance with the then-current System Standards;

(3) Franchisee must be, and must have been throughout the Term in compliance with its obligations under this Agreement, and during that same period, Franchisee and its affiliates must have been in compliance with Franchisee's or their obligations under any other agreements with Franchisor;

(4) Franchisee must present satisfactory evidence that it has the right to remain in possession of the Office for the operation of Franchisee's RWC Business for the duration of the successor term;

(5) Franchisee and its owners must execute Franchisor's then-current form of franchise agreement and related documents, which will supersede the Agreement in all respects, and the terms of which may differ from the terms of the Agreement, and may include a higher program fee and Brand Fund contribution or expenditure requirement (Franchisee will not, however, be required to pay to Franchisor an initial franchise fee, but Franchisee must pay a successor franchise fee of \$2,500), and the then-current franchise agreement will be modified to reflect, among other things, that Franchisee's RWC Business is developed and operating and that the right to further successor terms is as provided in this Section 3.D;

(6) Franchisee and its owners must have executed and delivered to Franchisor a general release (in a form prescribed by Franchisor, as permitted by applicable law) releasing, waiving, discharging, and holding harmless all claims against Franchisor and its affiliates, and each of its respective officers, directors, owners, partners, agents, representatives, independent contractors, servants and employees, in their corporate and individual capacities, including claims arising under the Agreement or under federal, state or local laws, rules, regulations or orders;

(7) Franchisee must remain in compliance with all provisions of the Agreement until the execution of the successor franchise agreement; and

(8) Franchisor is then granting Franchises for Businesses in the state in which Franchisee's RWC Business is located.

If Franchisee (and its owners) fails to meet the conditions set forth in this Section, Franchisee acknowledges that Franchisor need not grant Franchisee a successor Franchise, whether Franchisor had, or chose to exercise, the right to terminate this Agreement during its term under Section 17.A.

Within 180 days after Franchisor receives Franchisee's notice under Section 3.D(1), Franchisor will notify Franchisee, in writing, of Franchisor's decision to either grant Franchisee a successor Franchise and listing any deficiencies that must be corrected or to not grant a successor Franchise with reasons for Franchisor's decision. If Franchisor's decision is to grant Franchisee a successor Franchise, its willingness to do so will also be subject to Franchisee's continued compliance with this Agreement through the remainder of the Term. If Franchisee or its owners fail to sign the agreements and releases necessary to acquire the successor Franchise and to deliver them to Franchisor, along with the applicable fee, within 15

days after their delivery to Franchisee, Franchisee will be deemed to have elected not to acquire a successor Franchise.

Franchisee must immediately cease providing services in connection with Franchisee's RWC Business after this Agreement expires, if: (1) Franchisee fails to provide Franchisor its written notice as provided in Section 3.D(1) above by the deadline required, (2) Franchisee notifies Franchisor that Franchisee elects not to acquire a successor Franchise; or (3) Franchisor notifies Franchisee that Franchisor will not grant Franchisee a successor Franchise.

4. SITE SELECTION, DEVELOPMENT, AND COMMENCEMENT OF FRANCHISEE'S RWC BUSINESS.

4.A. SITE.

Franchisee must receive Franchisor's approval of the premises from which Franchisee operates Franchisee's RWC Business (the "**Office**"). While it is anticipated that Franchisee will operate Franchisee's RWC Business from the office of the Affiliate Law Firm Business, Franchisee must obtain Franchisor's acceptance of the location of such premises. Franchisee will submit to Franchisor a complete report for the site it proposes for Franchisee's RWC Business. Franchisee's report must contain the documents and information Franchisor requires, including a description of the proposed site, and a letter of intent or other evidence confirming Franchisee's favorable prospects for obtaining the proposed site. Though Franchisor is not obligated to respond to Franchisee's request for approval of a proposed site within a designated time frame, Franchisor will use reasonable efforts to accept or not accept the proposed site within 30 days after receiving Franchisee's report.

4.B. DEVELOPMENT OF FRANCHISEE'S RWC BUSINESS.

Franchisee is responsible for developing the Office and maintaining the Office in a safe, orderly, businesslike, and clean state, and keeping it properly staffed, furnished, and identified as an RWC Business. If Franchisee needs to secure financing to complete its development obligations, Franchisee agrees to do so independently and at its own expense. Franchisor may, but is not obligated to, give Franchisee mandatory and suggested specifications for the Office, including requirements for dimensions, design, image, interior layout, decor, fixtures, equipment, signs, furnishings, and color scheme. Franchisee agrees to develop, construct, and decorate the Office at its own expense. It is Franchisee's responsibility to confirm all required construction plans and specifications comply with the Americans with Disabilities Act and all other applicable ordinances, building codes, permit requirements, and requirements and restrictions under its lease.

4.C. OPERATING ASSETS.

Before Franchisee opens Franchisee's RWC Business, it agrees to obtain and install the fixtures, furniture, equipment, components of the Technology System (as defined in Section 4.D), furnishings, and signs that Franchisor approves for Businesses as meeting Franchisor's specifications and standards for quality, design, appearance, function, and performance (collectively, "**Operating Assets**"). Franchisee agrees to purchase or lease the brands, types, and models of Operating Assets that Franchisor designates or approves. Franchisee agrees to purchase or lease the Operating Assets only from suppliers Franchisor designates or approves (which may include or be limited to Franchisor and/its affiliates).

4.D. TECHNOLOGY SYSTEM.

Franchisee agrees to obtain and use business management services software, phone systems, and such other computer hardware, software, and technology that Franchisor periodically specifies to be used in connection with Franchisee's RWC Business (the "**Technology System**"). Franchisor may modify specifications for and components of the Technology System from time to time and Franchisee agrees to implement Franchisor's modifications within ninety (90) days after Franchisee receives notice from Franchisor. Franchisor may periodically require Franchisee to purchase, lease, and/or license new or modified computer hardware and/or software and to obtain service and support for the Technology System. Franchisee agrees to incur the costs of obtaining the computer hardware and software comprising the Technology System (and any additions and modifications) and required service or support as Franchisor may require and modify from time to time.

Franchisee must obtain and install the Technology System and ensure that the Technology System is functioning properly before Franchisee's RWC Business opens.

Franchisee may be required to license, and sign a software license agreement regarding, certain proprietary software as part of our requirements for the Technology System. Franchisor and its affiliates may charge Franchisee an initial and recurring fee for any proprietary software or technology that Franchisor or its affiliates license to Franchisee and for other maintenance, support, and technology development services that Franchisor or its affiliates provide (a "**Technology Fee**"). Franchisor reserves the right to increase the Technology Fee to reflect changes in the costs and availability of technology, provided that the Technology Fee may not be increased by more than \$500 in any calendar month of the Term. Franchisor may also require that Franchisee pay Franchisor for software and other technology that Franchisee receives through Franchisor from third-party providers. Franchisee will have sole and complete responsibility for the manner in which Franchisee's Technology System interfaces at Franchisor's specified levels of connection speed with Franchisor's and any third party's computer system and any and all consequences if the Technology System is not properly operated, maintained, and upgraded.

The Technology System may give Franchisor and its affiliates access to all information generated by the Technology System, including price maintenance and information relating to customers for Franchisee's RWC Business. At Franchisor's request, Franchisee agrees to sign a release with any vendor of Franchisee's Technology System providing Franchisor with unlimited access to Franchisee data.

Notwithstanding the fact that Franchisee agrees to buy, license, use, and maintain the Technology System according to Franchisor standards and specifications, Franchisee will have sole and complete responsibility for acquiring, operating, maintaining and upgrading: (1) the Technology System; (2) the connectivity of Franchisee Technology System; and (3) third-party interfaces between the Technology System and Franchisor and any third party's computer system. Franchisee will have sole and complete responsibility for any and all consequences if the Technology System is not properly operated, maintained, and upgraded, including as required under Section 9.F.

4.E. CONTACT IDENTIFIERS.

Franchisee agrees that each telephone number, directory listing, e-mail address, Online Presence (defined in Section 11.E), and any other type of contact information used by or that identifies or is associated with Franchisee's RWC Business (each, a "**Contact Identifier**") will be used solely to identify, service, and promote Franchisee's RWC Business in accordance with this Agreement. Upon termination or expiration of this Agreement, Franchisee agrees to transfer, assign, or otherwise convey to Franchisor full control of all Contact Identifiers and Online Presences that it used to operate Franchisee's RWC Business or that display any of the Marks or any reference to the System. Notwithstanding the foregoing, Franchisee

agrees that all liabilities and obligations arising from any such Contact Identifiers or Online Presence prior to the date of the transfer, assignment, or conveyance to Franchisor will remain Franchisee's sole responsibility in all respects, and any costs Franchisor incurs in connection therewith will be indemnifiable under Section 12.D. Franchisee hereby appoints Franchisor as its true and lawful attorney-in-fact to take such actions and execute such documents on Franchisee's behalf as may be required to affect the foregoing purposes.

4.F. COMMENCEMENT OF BUSINESS.

Franchisee may not commence operating Franchisee's RWC Business until it has:

- (1) completed the required Initial Training Program to Franchisor's satisfaction;
- (2) obtained and installed the Technology System and ensure it is functioning properly for Franchisee's RWC Business;
- (3) paid the Initial Franchise Fee and all other amounts then due to Franchisor;
- (4) given Franchisor certificates for all required insurance policies;
- (5) delivered the Sublicense Agreement, duly signed by Franchisee and Affiliate Law Firm Business Owner, to Franchisor; and
- (6) met all regulatory requirements, including all state and local professional regulations.

Franchisee must comply with these conditions and commence full-time operation of Franchisee's RWC Business, within 180 days after the Effective Date ("**Commencement Deadline**"). Franchisor may, in its sole discretion, extend the required Commencement Deadline. Once Franchisee has commenced operation of Franchisee's RWC Business, it must operate Franchisee's RWC Business continuously, on a full-time basis, for the remainder of the Term.

5. TRAINING AND ASSISTANCE.

5.A. INITIAL TRAINING PROGRAMS.

Franchisee's Operating Principal and, if applicable, the Designated Manager (the "**Required Trainees**") must complete Franchisor's initial training program for the operation of an RWC Business (the "**Initial Training Program**") prior to the Commencement Deadline. Scheduling, location (including virtually, at Franchisor's discretion), content, length and format of Franchisor's Initial Training Program is at its discretion, and Franchisor reserves the right to require that all of Franchisee's Required Trainees attend and participate at the same time. Successful completion, to Franchisor's satisfaction, of the Initial Training Program by all Required Trainees is required before Franchisee opens its Business to the public (and, if applicable, before Franchisee begins soliciting or pre-selling memberships before its Business opens). Franchisee will be responsible for all travel and living expenses, wages, and benefits owed to, and other costs of, persons attending the training programs on Franchisee's behalf.

Franchisor will provide the Initial Training Program to Franchisee (or its Operating Principal) at no charge, as such training is covered by Franchisee Initial Franchise Fee. If Franchisor provides any portion of the Initial Training Program on-site at its headquarters or at any other location determined by Franchisor,

Franchisee is responsible for all expenses associated with attending the Initial Training Program, including Franchisee's employees' and representatives' wages, travel, lodging, and other accommodations. Should any portion of the Initial Training Program take place at the Office, Franchisor reserves the right to charge Franchisee any travel and living expenses for the trainer(s) Franchisor sends to the Office.

If any Required Trainee fails to complete the Initial Training Program to Franchisor's satisfaction, Franchisor reserves the right, in its sole discretion, to require Franchisee to attend additional training at Franchisor's then-current fee for additional training.

If Franchisor determines, in its sole discretion, that Franchisee or its Required Trainees are not properly trained to provide the services offered by Franchisee's RWC Business, Franchisor may require such person to cease providing services for Franchisee's RWC Business and/or to be trained by Franchisor at the then-current training fee. In addition, if Franchisor determines, in its discretion, that Franchisee requires refresher training during the Term, Franchisor may require such Franchisee to retake all or a portion of the Initial Training Program. Additional training will be provided at a time and location of Franchisor's choice, whether requested by Franchisee or Franchisor. Franchisee will be charged the then-current rate for additional training, plus the cost of transportation, lodging, and other associated expenses. If Franchisee is unable or unwilling to complete the additional required training to Franchisor's satisfaction, Franchisor reserves the right, in Franchisor's sole discretion, to terminate this Agreement.

Franchisor currently offers the Initial Training Program on a regularly scheduled, as-needed basis, but Franchisor reserves the right to modify this schedule at any time from time to time in Franchisor's sole discretion. Should Franchisee request that Franchisor send on-site assistance to the Office at any time during the Term, for any reason, Franchisee will be charged then-current training fee, per trainer, plus travel and living expenses and out-of-pocket costs. Franchisor reserves the right to increase this charge at any time.

If Franchisee's Required Trainees complete the training programs to Franchisor's satisfaction and have not expressly informed Franchisor in writing within five (5) days of the end of the program that Franchisee (or its Required Trainees) does not feel sufficiently trained in the operation of an RWC Business, then Franchisee and its Required Trainees will be deemed to have been trained sufficiently to operate an RWC Business.

Franchisor may require Franchisee, its Operating Principal, and its Designated Manager to attend various ongoing training events, participate in online sessions, view training videos and/or attend regional training or training at another event such as an annual meeting or convention, at the times and locations designated by Franchisor, including courses and programs provided by third parties Franchisor designates. Besides attending these training courses, programs, and events, Franchisor may also require Franchisee to attend an annual conference of franchise owners. This conference will be held at Franchisor's discretion and may be held at locations Franchisor designates or through an online, virtual platform. Attendance at additional training courses, programs, events, or the annual franchise owner conference may be required for up to 10 days during a calendar year (which days may not necessarily be consecutive). Franchisor reserves the right to charge a fee for these types of ongoing training activities, and Franchisee will be responsible for all costs associated with attending such programs, courses, events, or meetings.

Franchisee agrees to pay all travel and living expenses (including, wages, transportation, food, lodging, and workers' compensation insurance) that Franchisee and its Operating Principal incurs during any and all meetings and/or training courses and programs. Franchisee is also responsible for the travel and living expenses and out-of-pocket costs Franchisor incurs in sending its trainer(s) to the Office to conduct training, including food, lodging, and transportation. Franchisee understands and agrees that any specific ongoing training or advice Franchisor provides does not create an obligation (whether by course of dealing

or otherwise) to continue to provide such specific training or advice, all of which Franchisor may discontinue and modify from time to time.

5.B. TRAINING OF EMPLOYEES.

Franchisee must implement a training program that Franchisor approves for employees of Franchisee's RWC Business, and Franchisee will be responsible for the proper training of Franchisee's employees. Franchisee must ensure that everyone Franchisee employs successfully completes the training program, is properly trained, and is qualified to perform his or her duties at Franchisee's RWC Business in accordance with the System and System Standards.

5.C. OPERATIONS MANUAL.

During the Term, Franchisor will provide Franchisee with electronic access to Franchisor's manual for the operation of RWC Businesses (the "**Operations Manual**"). Franchisor will determine the content of the Operations Manual, the frequency in which it may be updated, and the manner and format in which it is delivered or made available to Franchisee. The Operations Manual may contain mandatory specifications, standards, operating procedures and rules that Franchisor periodically prescribes for operating RWC Businesses ("**System Standards**"), and Franchisee agrees to comply with those standards and requirements. The Operations Manual may also contain other specifications, standards and policies that Franchisor may periodically suggest for the operation of Franchisee's RWC Business, and adoption of those items in the operation of Franchisee's RWC Business will be at Franchisee's discretion. Franchisor may periodically modify the Operations Manual, including in the form of memoranda and newsletters, to reflect changes in System Standards.

Franchisor's master copy of the Operations Manual is the controlling copy. The Operations Manual and any passwords and access credentials are part of Franchisor's Confidential Information (defined below) and must be protected against improper use and disclosure. As such, Franchisee may use it only in the operation of Franchisee's RWC Business in accordance with this Agreement and protect it from improper use and disclosure as described in Article 7 below. Franchisee is responsible for any loss, destruction, damage, or unauthorized access or use of Franchisee's copy of the Operations Manual.

6. FEES.

6.A. INITIAL FRANCHISE FEE.

On Franchisee's execution of this Agreement, Franchisee must pay Franchisor a non-recurring initial franchise fee in the amount of \$50,000 (the "**Initial Franchise Fee**"). The Initial Franchise Fee is due and fully earned by Franchisor when Franchisee signs this Agreement and is not refundable under any circumstances. Franchisee must pay Franchisor the Initial Franchise Fee by wire transfer of immediately available funds to an account Franchisor designates, or by any other method Franchisor specifies.

6.B. PROGRAM FEE.

Commencing on the earlier of (i) the date Franchisee open’s Franchisee’s RWC Business for business, or (ii) the first of the calendar month immediately following the one hundred eighty (180) days after the Effective Date (the “**Program Fee Commencement Date**”), Franchisee agrees to pay Franchisor a monthly program fee (the “**Program Fee**”) in the following manner:

Measurement Period	Monthly Program Fee
Program Fee Commencement Date through the third calendar month thereafter	\$2,500
Fourth through sixth calendar month after the Program Fee Commencement Date	\$5,000
Seventh and subsequent calendar months after the Program Fee Commencement Date	\$7,500

6.C. MEMBERSHIP FEE.

Franchisor or its affiliate will collect all membership fees from Members due under then-applicable Membership Agreements for Franchisee’s RWC Business. Each calendar quarter, Franchisor will remit to Franchisee a quarterly membership fee (the “**Membership Fee**”) equal to one-third (1/3) of the membership fees paid by Members of Franchisee’s RWC Business to Franchisor or its affiliates under their Membership Agreements for the foregoing quarter. At Franchisor’s sole discretion, Franchisor may elect to require Franchisee to directly enter into Membership Agreements with Members, in which case Franchisee would be responsible for the collection of membership fees under Membership Agreements and would pay Franchisor the quarterly Membership Fee in the amount of two-thirds (2/3) of the membership fees payable by Members of Franchisee’s RWC Business under their Membership Agreements for the foregoing quarter.

For so long as Franchisor or its affiliate collects membership fees from Members, the Membership Fee will be remitted to a business checking account that Franchisee must set up in order to receive payments (Franchisee’s “**Business Account**”). Franchisor may designate certain banks and financial institutions at which such Business Account must be held. Franchisee shall not bill or invoice Members without the prior written consent of Franchisor. Any payment received by Franchisee from Members shall be deemed money received in trust for Franchisor or its affiliate’s benefit and shall be immediately forwarded to Franchisor or its affiliate, properly endorsed to Franchisor or its affiliate, as necessary.

6.D. BILLING AND COLLECTION.

With respect to the Program Fee and Brand Fund contributions (as hereinafter defined) and any other amounts payable from Franchisee to Franchisor under this Agreement, each calendar month, on a date Franchisor determines, Franchisee will remit to Franchisor via automatic debit or other means determined by Franchisor, an amount equal to all payments due from Franchisee to Franchisor or its affiliates (the “**Balance Payment**”). Pursuant to Section 6.G, Franchisor will have the right to deduct all amounts owed to Franchisor or its affiliates directly from Franchisee’s Business Account. On or before the 10th day of each calendar month for the previous month, Franchisor will provide Franchisee with one or more statements (the “**Statements**”) setting forth all amounts due during the applicable period in the format that Franchisor determines. Franchisee must promptly provide Franchisor with read-only access of Franchisee’s Business Account such that Franchisor can perform the collection administrative services on Franchisee’s behalf.

6.E. INTEREST ON LATE PAYMENTS.

All past-due amounts that Franchisee owes Franchisor for any reason will bear interest accruing as of their original due date at one and one-half percent (1.5%) per month or the highest commercial contract interest rate allowed by law, whichever is less. Franchisor may debit Franchisee's bank account automatically for service charges and interest (see Section 6.G). Franchisee acknowledges that this Section 6.E is not Franchisor's agreement to accept any payments after they are due or Franchisor's commitment to extend credit to Franchisee or finance the operation of Franchisee's RWC Business.

6.F. NON-COMPLIANCE FEE.

If Franchisee is in default of this Agreement, Franchisor may charge Franchisee a non-compliance fee in the amount of \$500 per default per month. Franchisor may charge Franchisee for each month that such default remains uncured. The non-compliance fee is payable to Franchisor in the same manner as Program Fee payments. Franchisor's charging of the non-compliance fee is not a waiver of any of Franchisor's other rights and remedies under this Agreement.

6.G. METHOD OF PAYMENT AND APPLICATION OF PAYMENTS.

Other than costs and fees that Franchisor collects pursuant to Section 6.C, Franchisee must make all payments due under this Agreement in the manner Franchisor designates from time to time and Franchisee agrees to comply with all of Franchisor's payment instructions. Franchisee hereby authorizes Franchisor and/or any third-party Franchisor designates to debit Franchisee's Business Account automatically for any or all amounts due under this Agreement by signing an Electronic Funds Transfer Authorization (the "**EFT Authorization**"), which is attached as Attachment C. Such EFT Authorization shall remain in full force and effect during the term of this Agreement. Franchisee agrees to ensure that any changes to the EFT Authorization are updated promptly and that funds are readily available in Franchisee's Business Account to cover Franchisor's withdrawals.

If there are insufficient funds in Franchisee's Business Account to cover Franchisor's withdrawals, Franchisor may charge Franchisee the insufficient funds fee for each such instance (currently, \$250, subject to applicable law), as Franchisor may modify from time to time, to compensate Franchisor for its administrative expenses. In such circumstances, Franchisor may also attempt to debit Franchisee's account again periodically until funds are available (but no more than once every 5 days) and Franchisee will be charged the insufficient funds fee for each instance in which the funds are not available. Despite any designation Franchisee makes, Franchisor may apply any of Franchisee's payments to any of Franchisee's past due indebtedness to Franchisor. Franchisor may offset any amounts Franchisee or Franchisee's owners owe Franchisor or its affiliates against any amounts Franchisor or its affiliates owe Franchisee or Franchisee's owners, including, without limitation, amounts owed to Franchisee pursuant to Section 6.C above.

Franchisor may require Franchisee to pay any amounts due under this Agreement or otherwise by means other than automatic debit (e.g., by credit card or web-based application) whenever Franchisor deems appropriate, and Franchisee agrees to comply with Franchisor's payment instructions. If Franchisee fails to comply with Franchisor's payment instructions, Franchisor reserves the right to exclude Franchisee's participation from certain programs; provided that such failure shall also be deemed a default under this Agreement.

7. CONFIDENTIAL INFORMATION.

In connection with Franchisee's Franchise under this Agreement, Franchisee and its owners and personnel may from time to time have access to, be provided with, or otherwise be exposed to certain information about the System and the operation of Businesses, including Franchisee's RWC Business (some, but not all, of which may be "trade secrets" under applicable law), that Franchisor considers and protects as confidential (regardless of whether they are marked as such), including the following (collectively, the "**Confidential Information**"):

- (1) training and operations materials, including the Operations Manual;
- (2) the System Standards and other methods, formats, specifications, standards, systems, procedures, sales and marketing techniques, knowledge, and experience used in developing and operating Businesses;
- (3) information regarding potential marketing, advertising and promotional programs and strategies related thereto, and analyses of the performance and results of such programs once implemented;
- (4) strategic plans, including expansion strategies and targeted demographics;
- (5) knowledge of, specifications for and suppliers of, and methods of ordering, Operating Assets and other products and supplies;
- (6) any computer software or similar technology which is proprietary to Franchisor or the System, including digital passwords and identifications and any source code of, and data, reports, and other printed materials generated by, the software or similar technology;
- (7) knowledge of the operating results and financial performance of Businesses other than Franchisee's RWC Business;
- (8) information generated by, or used or developed in, Franchisee's RWC Business' operation, including information contained from time to time in the Technology System;
- (9) lists of current, former, and prospective Members of Franchisor's, its affiliates, or any other Business, including information such as Member names, contact persons, addresses, telephone numbers, e-mail addresses, buying habits, preferences, demographic information, and related information (collectively, "**Member Information**");
- (10) criteria for approving or rejecting proposed suppliers of any of the System Standards; and
- (11) any other information designated as confidential or proprietary by Franchisor.

All Confidential Information will be owned by Franchisor. Franchisee acknowledges and agrees that Franchisee will not acquire any interest in Confidential Information, other than the right to use it as Franchisor specifies in operating Franchisee's RWC Business during the Term, and that Confidential Information is proprietary, includes Franchisor's trade secrets, and is disclosed to Franchisee only on the condition that Franchisee agrees, and Franchisee in fact does agree, that Franchisee, its owners, and its employees:

- (a) will not use Confidential Information in any other business or capacity;
- (b) will keep each item deemed to be part of Confidential Information absolutely confidential, both during the Term and then thereafter;
- (c) will not make unauthorized copies of any Confidential Information disclosed via electronic, virtual, or digital medium or in written or other tangible form;
- (d) will adopt and implement reasonable procedures to prevent unauthorized use or disclosure of Confidential Information, including by restricting its disclosure and/or by requiring persons who have access to the Confidential Information to execute Franchisor's then-current form of confidentiality agreement; and
- (e) will not sell, trade, or otherwise profit in any way from the Confidential Information, except using methods approved by Franchisor.

Without limiting the generality of the foregoing obligations, Franchisor reserves the right to require that any employee, agent, or independent contractor that Franchisee hires execute a non-disclosure and non-competition agreement to protect the Confidential Information. Franchisor reserves the right to regulate the form of such non-disclosure and non-competition agreement that Franchisee uses and to be a third-party beneficiary of those agreements with independent enforcement rights. Franchisee acknowledges that any form of non-disclosure and non-competition agreement that Franchisor requires Franchisee to use, provide to Franchisee, or regulate the terms of, may or may not be enforceable in a particular jurisdiction. Franchisee agrees that Franchisee is solely responsible for obtaining Franchisee's own professional advice with respect to the adequacy of the terms and provisions of any non-disclosure and non-competition agreement that Franchisee's employees, agents, and independent contractors sign.

Confidential Information does not include information, knowledge, or know-how, which (i) before Franchisor provided it to Franchisee, lawfully came to Franchisee's attention; (ii) before Franchisor disclosed it to Franchisee, had already lawfully become known to Franchisee through publication or communication by others (without violating an obligation to Franchisor or its affiliates); or (iii) after Franchisor disclosed it to Franchisee, lawfully becomes known through publication or communication by others (without violating an obligation to Franchisor or its affiliates). However, if Franchisor includes any matter in Confidential Information, anyone who claims that it is not Confidential Information must prove that one of the exclusions provided in this paragraph is fulfilled.

All ideas, concepts, techniques, or materials relating to an RWC Business, whether or not protectable intellectual property and whether created by or for Franchisee or Franchisee's owners or employees, must be promptly disclosed to Franchisor and will be Franchisor's sole and exclusive property, part of the System, and works made-for-hire for Franchisor. To the extent that any item does not qualify as a "work made-for-hire" for Franchisor, Franchisee hereby assign ownership of that item, and all related rights to that item, to Franchisor and agree to take whatever action (including signing assignment or other

documents) Franchisor requests to evidence Franchisor's ownership or to help Franchisor obtain intellectual property rights in the item.

8. EXCLUSIVE RELATIONSHIP DURING TERM.

8.A. COVENANTS AGAINST COMPETITION.

Franchisee acknowledges that Franchisor has granted Franchisee a Franchise in consideration of and reliance on Franchisee's agreement to deal exclusively with Franchisor. Franchisee therefore agrees that, during the Term, neither Franchisee, any of its owners, its Designated Manager, nor any of Franchisee or its owners' immediate family members will:

- (1) have any direct or indirect ownership (whether of record, beneficially, or otherwise) in a Competitive Business (defined below), wherever located or operating (except that equity ownership of less than three percent (3%) of a Competitive Business whose stock or other forms of ownership interest are publicly traded on a recognized United States stock exchange will not be deemed to violate this subparagraph);
- (2) perform services as a director, officer, manager, employee, consultant, lessor, representative, or agent for a Competitive Business, wherever located or operating;
- (3) divert or attempt to divert any actual or potential business or Member of Franchisee's RWC Business to a Competitive Business;
- (4) engage in any other activity which might injure the goodwill of the Marks and System or would constitute an act of moral turpitude; or
- (5) solicit, interfere, or attempt to interfere with Franchisor's or its affiliates' relationships with any Members, vendors, or consultants.

A "**Competitive Business**" means (1) any membership-based business that is affiliated with a law firm that provides non-legal services to clients or members (including, but not limited to, training, social events, and seminars); or (2) any businesses granting franchises or licenses to others to operate the type of businesses specified in subparagraph (1).

Franchisee agrees to obtain similar covenants from the personnel Franchisor specifies, including any of Franchisee's employees having access to Confidential Information. Franchisor has the right to regulate the form of agreement that Franchisee uses and to be a third-party beneficiary of that agreement with independent enforcement rights.

8.B. NON-DISPARAGEMENT.

Franchisee agrees not to (and to use Franchisee's best efforts to cause Franchisee's current and former owners, officers, directors, agents, partners, employees, representatives, attorneys, spouses, affiliates, successors, and assigns not to) (i) disparage or otherwise speak or write negatively, directly or indirectly, of Franchisor, its affiliates, any of Franchisor's or its affiliates' directors, officers, employees, representatives or affiliates, the "Red Wagon Club" brand, the System, any Business, any business using the Marks, or (ii) take any other action which would, directly or indirectly, subject the "Red Wagon Club" brand to ridicule, scandal, reproach, scorn, or indignity, or which would negatively impact the goodwill of Franchisor or the "Red Wagon Club" brand.

9. SYSTEM STANDARDS.

9.A. COMPLIANCE WITH SYSTEM STANDARDS.

Franchisee acknowledges and agrees that operating and maintaining Franchisee's RWC Business according to System Standards is essential to preserve the goodwill of the Marks and all Businesses. Therefore, Franchisee agrees at all times to operate and maintain Franchisee's RWC Business according to all of Franchisor's System Standards, as Franchisor periodically modifies and supplements them, even if Franchisee believes that a System Standard is not in the System's or Franchisee's best interests. Although Franchisor retains the right to establish and periodically modify System Standards, Franchisee's Operating Principal is solely responsible for the management and operation of Franchisee's RWC Business and for implementing and maintaining System Standards at Franchisee's RWC Business.

As examples, and without limitation, System Standards may regulate any one or more of the following, in addition to the items described in Sections 9.B through 9.I below:

- (1) the services and products sold to Members by Franchisor or its affiliates, including the form and substance of any Event (as defined in Section 9.C);
- (2) the form of Membership Agreement;
- (3) Member billing and collections services;
- (4) the solicitation of Members (and Member representatives), including the denial of solicitation of any Member (or any Member representative);
- (5) sales, marketing, advertising, and promotional campaigns, and other national, regional or location marketing programs, and materials and media used in these programs;
- (6) use and display of the Marks at Franchisee's RWC Business and on uniforms, labels, forms, paper, products, and other supplies;
- (7) the Operations Manual, including all policies therein, as changed by Franchisor from time to time;
- (8) Member service standards and policies;
- (9) product and service development programs, including participation in market research and testing;
- (10) accepting designated forms of payment (and their underlying payment systems) and check verification services;
- (11) bookkeeping, accounting, data processing, and recordkeeping systems and forms; formats, content, and frequency of reports to Franchisor of sales, revenue, financial performance, and condition; and/or
- (12) any other aspects of operating and maintaining Franchisee's RWC Business that Franchisor determines to be useful to preserve or enhance the efficient operation, image, or goodwill of the Marks, and the System.

Franchisee agrees that the System Standards Franchisor prescribes in the Operations Manual, or otherwise communicate to Franchisee in writing or another tangible form (for example, via a System extranet or website), are part of this Agreement as if fully set forth within its text. All references to this Agreement include all System Standards as periodically modified.

9.B. VARIATION AND MODIFICATION OF SYSTEM STANDARDS.

Franchisee acknowledges that complete and detailed uniformity might not be possible or practical under varying conditions, and that Franchisor specifically reserves the right (as Franchisor considers best, in its sole discretion) to vary System Standards for any franchise owner based on the peculiarities of any condition that Franchisor considers important to that franchise owner's successful operation. Franchisor may choose not to authorize similar variations or accommodations to Franchisee or other franchise owners. Franchisor may also permit variations in the System Standards (as Franchisor considers best, in its sole discretion) between Businesses owned by Franchisor and Businesses owned by franchisees.

Franchisor may periodically modify System Standards. These modifications may obligate Franchisee to invest additional capital in Franchisee's RWC Business and/or incur higher operating costs. Franchisee agrees to implement any changes in System Standards within the time period Franchisor requires, whether they involve refurbishing or remodeling the Office, buying new Operating Assets, adding new products and services, adding personnel, or otherwise modifying the nature of Franchisee's operations, as if they were part of this Agreement as of the Effective Date.

Any unapproved variations from the System Standards will potentially result in termination of this Agreement, unless such variations have been previously communicated to and approved by Franchisor in writing in accordance with Section 9.D., below.

9.C. APPROVED PRODUCTS AND SERVICES.

To ensure that Franchisor's standards and specifications of quality, service, and system development are maintained, Franchisee must operate Franchisee's RWC Business in strict conformity with this Agreement and the methods, standards, specifications, and sources of supply that are designated in the Operations Manual. All products and services sold to Members by Franchisee in connection with Franchisee's RWC Business and other franchisees will be provided by Franchisor and its affiliates.

Franchisee agrees that: (1) Franchisee will offer for sale or sell in connection with Franchisee's RWC Business the products and services that Franchisor specifies from time to time; (2) Franchisee will offer for sale or sell in connection with Franchisee's RWC Business approved products and services only in the manner Franchisor has prescribed; (3) Franchisee will not offer for sale or sell in connection with Franchisee's RWC Business any products or services Franchisor has not approved, unless otherwise with its approval; (4) Franchisee will discontinue selling and offering for sale any products or services that Franchisor at any time decides (in its sole discretion) to disapprove; and (5) Franchisee will purchase and use only the brands, types, or models of products, materials, packaging, supplies and services (including the Operating Assets and the Technology System) that Franchisor designates for operating Franchisee's RWC Business. Notwithstanding the foregoing, Franchisor does not, and will not throughout the Term, restrict or limit in any manner the types of legal services the Affiliate Law Firm Business may provide.

Franchisee acknowledges and agrees that Franchisor may require, through the Operations Manual or otherwise, RWC Businesses to convene a minimum number of monthly meetings, sessions, seminars, and events for the benefit of Members and prospective Members (collectively, "**Events**"). Franchisee agrees to hold such Events at its sole cost and, in connection therewith, to comply with the System Standards regarding the form substance, and location of such Events. Franchisee is solely responsible for obtaining

any necessary permits or approvals to conduct and operate Events. Franchisee must obtain Franchisor's written approval for third-party speakers who Franchisee desires to engage to provide content to Members at any Events.

9.D. APPROVED DISTRIBUTORS AND SUPPLIERS.

Franchisee agrees to use the manufacturers, vendors, distributors, suppliers, and producers (collectively referred to herein as “**suppliers**”) that Franchisor specifies or approves for all aspects of the development and operation of Franchisee's RWC Business for which such suppliers provide goods or services. Franchisor also reserves the right to periodically approve or designate the terms and distribution methods for any goods or services. Franchisor may, at its option, arrange with designated suppliers to collect or have its affiliates collect fees and expenses associated with products and services they provide to Franchisee and, in turn, pay the supplier on Franchisee's behalf for such products or services. If Franchisor elects to do so, Franchisee agrees that Franchisor or its affiliates may auto-debit Franchisee's bank account for such amounts in the same manner and using the same authorization that Franchisee grants Franchisor with respect to payment of Program Fee and other fees. Franchisor or any of its affiliates may be a supplier, or otherwise party to these transactions, and may derive revenue or profit from such transaction. Franchisor and any of its affiliates may use such revenue or profit without restriction.

If Franchisee would like Franchisor to consider approving a supplier that is not then approved by Franchisor, Franchisee must submit a written request before purchasing any items or services from that supplier. Franchisor will make all determinations about whether to approve an alternative supplier or product based on its then-current criteria, which may change periodically. Franchisor is not required to respond to Franchisee's request, and any actions Franchisor takes in response to Franchisee's request will be at Franchisor's sole and unfettered discretion, including the assessment of a fee to compensate Franchisor for the time and resources Franchisor spends in evaluating the proposed supplier. Franchisor may, with or without cause, revoke Franchisor's approval of any supplier at any time.

9.E. COMPLIANCE WITH LAWS AND GOOD BUSINESS PRACTICES.

Franchisee must secure and maintain all required licenses, permits, and certificates relating to Franchisee's RWC Business and must at all times operate Franchisee's RWC Business in full compliance with all applicable laws, ordinances, and regulations. Franchisee agrees to comply and assist Franchisor in Franchisor's compliance efforts with any and all federal and state laws and regulations, including those relating to truth in lending, truth in advertising, health and anti-discrimination laws (such as the Americans with Disabilities Act), and anti-terrorist activities (including the U.S. Patriot Act, Executive Order 13224, and related U.S. Treasury and/or other regulations). In connection with such compliance efforts, Franchisee agrees not to enter into any prohibited transactions and to properly perform any currency reporting and other activities relating to Franchisee's RWC Business as may be required by Franchisor or by law. Franchisee confirms that it is not listed in the Annex to Executive Order 13224 and agrees not to hire any person so listed or have any dealing with a person so listed (the Annex is currently available at <http://www.treasury.gov>). Franchisee is solely responsible for ascertaining what actions must be taken by Franchisee to comply with all such laws, orders and/or regulations, and specifically acknowledge and agree that Franchisee's indemnification responsibilities (as provided in Section 12.D) apply to Franchisee's obligations under this Section.

Franchisee's RWC Business must adhere to the highest standards of honesty, integrity, fair dealing, and ethical conduct in all dealings with Members, suppliers, Franchisor, and the public. Franchisee agrees to refrain from any business or advertising practice which may injure Franchisor's business and the goodwill associated with the Marks and other Businesses. Franchisee must notify Franchisor in writing

within five (5) days of the threat of or commencement of any action, suit or proceeding, and of the issuance of any order, writ, injunction, award or decree of any court, agency or other governmental instrumentality, which may adversely affect Franchisee's operation or financial condition or that of Franchisee's RWC Business, of any notice of violation of any law, ordinance, or regulation relating to Franchisee's RWC Business, and of any notice of any investigation, state bar complaint, or threatened or commenced disciplinary action against the Affiliate Law Firm Business or any attorneys employed by or with an ownership interest in the Affiliate Law Firm Business.

Franchisee understands and acknowledges that Franchisor and its affiliates are not a law firm and that anything Franchisor says or does in accordance with this Agreement does not constitute legal advice or opinion.

Franchisee agrees to comply with, and to enforce Affiliate Law Firm Business Owner's obligations under, the Sublicense Agreement. Franchisee acknowledges and agrees that its default under the Sublicense Agreement constitutes a default hereunder and that this Agreement shall terminate upon the termination of the Sublicense Agreement for any reason.

Franchisee agrees to apply for and diligently pursue any government-issued, government-sponsored, or governmental-guaranteed grants and/or bailouts for which Franchisee qualify and that are made available to small businesses as an economic stimulus.

9.F. INFORMATION SECURITY.

Franchisee may from time to time have access to information that can be used to identify an individual, including names, addresses, telephone numbers, e-mail addresses, employee identification numbers, signatures, passwords, financial information, credit card information, biometric or health data, government-issued identification numbers and credit report information ("**Personal Information**"). Franchisee may gain access to such Personal Information from Franchisor, its affiliates, its vendors, or from Franchisee's own operations. Franchisee acknowledges and agrees that, as between Franchisor and Franchisee, all Personal Information (other than Restricted Data, as defined below) is Franchisor's Confidential Information and is subject to the protections in Section 7. For purposes of this Agreement, Personal Information includes Member Information.

During and after the Term, Franchisee (and if Franchisee is a legal entity, each of Franchisee's owners) agree to, and to cause Franchisee's respective current and former employees, representatives, affiliates, successors, and assigns to: (a) collect, disclose, process, retain, and use all Personal Information only in strict accordance with all applicable laws, regulations, orders, the guidance and codes issued by industry or regulatory agencies, and the privacy policies and terms and conditions of any applicable Internet presence; (b) assist Franchisor with meeting its compliance obligations under applicable laws and regulations relating to Personal Information; and (c) promptly notify Franchisor of any communication or request from any customer or other data subject to access, correct, delete, opt-out of, or limit activities relating to any Personal Information.

If Franchisee becomes aware of a suspected or actual breach of security or unauthorized access involving Personal Information, Franchisee will notify Franchisor immediately and specify the extent to which Personal Information was compromised or disclosed. Franchisee also agrees to follow Franchisor's instructions regarding curative actions and public statements relating to the breach. Franchisor reserves the right to conduct a data security and privacy audit of any part of Franchisee's RWC Business and Technology System at any time, from time to time, to ensure that Franchisee is complying with Franchisor's requirements. Franchisee must promptly notify Franchisor if Franchisee receives any complaint, notice, or communication, whether from a governmental agency, customer or other person, relating to any Personal

Information, or Franchisee's compliance with Franchisor's obligations relating to Personal Information under this Agreement, and/or if Franchisee has any reason to believe that Franchisee will not be able to satisfy any of Franchisee's obligations relating to Personal Information under this Agreement.

Notwithstanding anything to the contrary in the Agreement, Franchisee agrees that Franchisor does not control or own any of the following Personal Information (collectively, the "**Restricted Data**"): (a) any Personal Information of employees, officers, contractors, owners or other personnel of Franchisee, its affiliates, or Franchisee's RWC Business; (b) such other Personal Information as Franchisor may from time to time expressly designate as Restricted Data; and/or (c) any other Personal Information to which Franchisor does not have access. Regardless of any guidance Franchisor may provide generally and/or any specifications that Franchisor may establish for Personal Information. Franchisee has sole and exclusive responsibility for all Restricted Data, including establishing protections and safeguards for such Restricted Data.

9.G. MANAGEMENT OF FRANCHISEE'S RWC BUSINESS.

Franchisee must designate a person, who may, but need not, be Franchisee's Operating Principal or one of Franchisee's other owners, to serve as the "**Designated Manager**" of Franchisee's RWC Business. Franchisee's RWC Business must at all times be managed by Franchisee's Designated Manager who: (i) is designated by Franchisee to assume primary responsibility, and has authority, for the day-to-day management and operation of Franchisee's RWC Business; (ii) will devote full-time and best efforts to the supervision and management of Franchisee's RWC Business; (iii) satisfies Franchisor's educational and business experience criteria for Designated Managers of Businesses, as set forth in the Operations Manual or otherwise; and (iv) has satisfactorily completed Franchisor's Initial Training Program and any other training programs Franchisor may periodically require. Franchisee is solely responsible for hiring and determining the terms of employment for Franchisee's Designated Manager.

Franchisee must inform Franchisor in writing of the identity of Franchisee's Designated Manager and any replacements. If Franchisee's Designated Manager ceases active employment at Franchisee's RWC Business or no longer satisfies the qualifications of a Designated Manager in accordance with this Section, Franchisee must promptly notify Franchisor and take corrective measures (which may include additional training or replacement) within 30 days. Franchisee is responsible for ensuring proper interim management and continued operations of Franchisee's RWC Business until those corrective measures are completed or a replacement Designated Manager is designated, approved by Franchisor, and trained as required under this Agreement.

9.H. PRICING.

Franchisor may periodically set a minimum price that Franchisee may charge for products and services offered by Franchisee's RWC Business. If Franchisor imposes a minimum price for any product or service, Franchisee may not charge less for such product or service than the minimum price Franchisor imposes. For any product or service for which Franchisor do not impose a minimum price, Franchisor may require Franchisee to comply with an advertising policy adopted by Franchisor which will prohibit Franchisee from advertising any price for a product or service that is different than Franchisor's suggested price. Although Franchisee must comply with any advertising policy Franchisor adopts, Franchisee will not be prohibited from selling any product or service at a price below the suggested price unless Franchisor imposes a minimum price for such product or service.

9.I. MEMBERSHIP AGREEMENTS AND MEMBER INFORMATION.

Franchisee will offer and sell Memberships to potential members Franchisee's RWC Business. All Memberships must be evidenced by a written agreement (a "**Membership Agreement**") in a form Franchisor prescribes, which Membership Agreements will be entered into between Members and Franchisor or its affiliate. Franchisee will conduct certain support services on Franchisor's or its affiliate's behalf to Members of Franchisee's RWC Business.

Franchisor may modify the types and terms of Memberships to be offered, terminate Franchisee's right to offer certain types of Memberships, and/or approve or require other types of Memberships for sale. Franchisor may establish and periodically modify System Standards regulating, among other things: (1) the types and terms of Memberships Franchisee may offer; (2) the form(s) of Membership Agreement; (3) admission of Members of Franchisee's RWC Business to events of other Businesses; and (4) payment terms for Memberships.

Franchisee agrees, upon notice from Franchisor, to accept any Memberships Franchisor assigns to Franchisee, and, if Franchisor so requires, to honor those Memberships on the terms and conditions of the existing Membership agreement, and to accept as remuneration only such payments as accrue pursuant to the applicable Membership agreement from the time of assignment.

If Franchisor is contacted by a Member of Franchisee's RWC Business who wishes to lodge a complaint for services provided by Franchisee's RWC Business, Franchisor will first refer the Member to Franchisee. However, if Franchisee cannot satisfy the needs of the complaining Member, Franchisor may address the Member's complaints in order to preserve goodwill and prevent damage to the Marks. Franchisor's right to address complaints may include (but are not limited to) refunding money to the complaining Member, in which case Franchisee must reimburse Franchisor for these refunded amounts, or referring the Member to the RWC Business of another franchisee, Franchisor, or one of its affiliates.

If Franchisor is contacted by a Member of Franchisee's RWC Business who wishes to lodge a complaint for services provided by the Affiliate Law Firm Business, Franchisor may, in its discretion and in addition to any remedy available to Franchisor under this Agreement, refer such Member to another law firm.

At Franchisor's request from time to time, Franchisee must send Franchisor a list of Franchisee's Members and all other information pertaining to the Members Franchisor specify (the "**Member Information**"). Franchisee agrees that Franchisor owns all Member Information that it comprises part of the Confidential Information which Franchisee is licensed to use under this Agreement, and that Franchisor may use Members Information in Franchisor's and their business activities and may disclose Member Information (such as the number of Members), but during the term of this Agreement, Franchisor will not publicly disclose any Member Information unless Franchisor makes such public disclosure without disclosing Franchisee's identity or Franchisee's RWC Business's Member Information on an individual (i.e., unconsolidated) basis. Upon termination of this Agreement, Franchisor may make any and all disclosures that Franchisor deems necessary or appropriate.

Franchisor may establish a reciprocity program between Franchisee's RWC Business and other Businesses. Franchisee must comply with all standards and requirements of any reciprocity program as Franchisor may implement and periodically modify.

10. INSURANCE.

Franchisee must, at Franchisee's expense, comply with the requirements regarding insurance coverages that Franchisor describes in its Operations Manual from time to time. If Franchisee fails or refuses to procure and maintain the required insurance, Franchisor may (but need not) obtain such insurance on Franchisee's behalf, in which event Franchisee must cooperate with Franchisor and reimburse Franchisor for all premiums, costs and expenses Franchisor incurs in obtaining and maintaining the insurance, plus a reasonable fee for Franchisor's time incurred in obtaining such insurance. No insurance coverage that Franchisee or any other party maintains will be deemed a substitute for Franchisee's indemnification obligations to Franchisor or affiliates under Section 12.D or otherwise.

Franchisor's insurance requirements represent only the minimum coverage that Franchisor deems acceptable to protect Franchisor's interests and are not representations or warranties of any kind that such coverage is sufficient to comply with applicable law or protect Franchisee's interests or those of Franchisee's RWC Business. It is Franchisee's sole responsibility to make that determination and to acquire any additional coverages Franchisee believes are necessary to protect those interests, based on Franchisee's own independent investigation.

11. ADVERTISING.

11.A. AFFILIATE LAW FIRM CLIENT RELATIONS PROGRAM.

Franchisee agrees to spend, or to cause the Affiliate Law Firm Business to spend, an aggregate of at least \$5,000 for a marketing and relations program to the clients of the Affiliate Law Firm Business during the period beginning on the Effective Date through the date Franchisee opens Franchisee's RWC Business (the "**Affiliate Law Firm Client Relations Program**"). Franchisee agrees to comply with Franchisor's System Standards for Franchisee's Affiliate Law Firm Client Relations Program. Franchisor may require Franchisee to use the advertising, marketing and/or public relations programs, firms, media and materials Franchisor approves for Franchisee's Affiliate Law Firm Client Relations Program. Franchisor reserves the right to approve the type of expenditure that will count towards Franchisee's minimum expenditure on Franchisee's Affiliate Law Firm Client Relations Program.

11.B. BRAND FUND.

Franchisor may, but is not obligated to, establish a brand fund to be used to promote the awareness Brand and Businesses generally (the "**Brand Fund**"). If Franchisor establishes the Brand Fund, Franchisee's contribution will be in amounts Franchisor periodically specifies and will be payable in the same manner as the Program Fee, and Franchisor will have the right, at any time and on notice to Franchisee, to change the amount Franchisee must contribute to the Brand Fund; provided, that after Franchisor's initial establishment of the Brand Fund and the required Brand Fund contribution, Franchisor cannot thereafter raise Franchisee's required Brand Fund contribution by more than 10% in any calendar year of the Term.

If Franchisor establishes the Brand Fund, Franchisor or its affiliates or other designees will direct all programs that are funded by contributions to the Brand Fund, with sole control over the creative concepts, materials, and endorsements used and their geographic, market, and media placement and allocation. Franchisor may use contributions to the Brand Fund to pay for preparing and producing materials and electronic or digital media in any form or format that Franchisor periodically designates, including but not limited to: administrating online advertising strategies, including developing and maintaining a System Website and mobile apps; administering regional and multi-regional marketing and advertising programs; implementing gift and loyalty programs; and supporting public relations, market research, product

development, and other advertising, promotional, social media, creation and publishing of books and other marketing materials; and marketing activities. In Franchisor's discretion, Franchisor may sell Franchisee, at a reasonable price, copies of certain materials funded by contributions to the Brand Fund.

Franchisor will account for contributions to the Brand Fund separately from its other funds and not use the Brand Fund contributions for any of Franchisor's general operating expenses. However, Franchisor may use contributions to the Brand Fund to reimburse Franchisor or its affiliates or designees for the reasonable salaries and benefits of personnel who manage and administer activities funded by the Brand Fund, the Brand Fund's other administrative costs, travel expenses of personnel while they are on Brand Fund business, meeting costs, overhead relating to Brand Fund business, and other expenses that Franchisor incur in activities reasonably related to administering or directing the Brand Fund and its programs.

Contributions to the Brand Fund will not be Franchisor's asset, but Franchisor does not assume or owe any fiduciary obligation to Franchisee in respect of those contributions or for administering the Brand Fund or any other reason. Franchisor will hold all Brand Fund contributions for the benefit of the contributors and use contributions for the purposes described in this Section 11.B. Franchisor may spend in any fiscal year on Brand Fund activities more or less than the total Brand Fund contributions in that year, borrow from Franchisor or others (paying reasonable interest) to cover deficits, or invest any surplus for future use. Franchisor may use all interest earned on the Brand Fund contributions to pay costs before using the Brand Fund's other assets. Franchisor will prepare an annual, unaudited statement of Brand Fund collections and expenses and once prepared, give Franchisee the statement for the most recently completed fiscal year upon Franchisee's written request. Franchisor may have the Brand Fund audited annually, at the Brand Fund's expense, by an independent certified public accountant. Franchisor may incorporate the Brand Fund or operate it through a separate entity whenever Franchisor deems appropriate. The successor entity will have all of the rights and duties specified in this Section 11.B.

Franchisor need not ensure that Brand Fund expenditures in or affecting any geographic area are proportionate or equivalent to Brand Fund contributions by Businesses operating in that geographic area or that any Business benefits from Brand Fund activities either directly or in proportion to its Brand Fund contributions. Franchisor has the right, but no obligation, to use collection agents and institute legal proceedings to collect Brand Fund contributions at the Brand Fund's expense. Franchisor also may forgive, waive, settle, and compromise all claims by or against the Brand Fund. Except as expressly provided in this Section 11.B, Franchisor assumes no direct or indirect liability or obligation to Franchisee for collecting amounts due to, maintaining, directing, or administering the Brand Fund.

Franchisor may at any time defer or reduce Franchisee's contributions to the Brand Fund, and upon 30 days' prior notice to Franchisee, suspend Brand Fund operations for one or more periods of any length and/or terminate (and if terminate, reinstate) the Brand Fund. If Franchisor terminates the Brand Fund, Franchisor will, at its option, either spend all unspent monies at Franchisor's discretion, until such amounts are exhausted, or distribute the funds in the Brand Fund to the contributing Business owners in a manner Franchisor deem fair and equitable.

11.C. FRANCHISOR'S APPROVAL OF ADVERTISING MATERIALS.

Franchisee must obtain Franchisor's written approval for any advertising materials or promotional or marketing strategies that have not been previously approved in the prior 12-month period. Before Franchisee uses any local advertising and promotional materials not prepared by or previously approved by Franchisor, Franchisee will submit samples of such materials to Franchisor for approval. If Franchisor does not approve the materials in writing within 30 days from the date Franchisor receives the materials, the materials are deemed to be disapproved. If Franchisor approves the materials, Franchisee may use them; provided, however, that Franchisor may withdraw its approval, in its discretion, and without compensating

Franchisee for any of Franchisee's costs associated with the manufacture or distribution of the unused materials. Franchisee must not use any advertising or promotional materials that Franchisor has not approved or has disapproved. Franchisee agree that Franchisee's advertising, promotion, and marketing will be completely clear, factual, and not misleading and conform to both the highest standards of ethical advertising and marketing and the advertising and marketing policies that Franchisor prescribes from time to time. Franchisee may not, and must cause the Affiliate Law Firm not to, intentionally place advertisements for Franchisee's RWC Business or the Affiliate Law Firm within the protected territory of another franchisee's RWC Business at any time during the Term.

11.D. WEBSITES, SOCIAL MEDIA ACCOUNTS, AND OTHER ONLINE PRESENCES.

Except as specified by Franchisor in the Operations Manual, Franchisee may not develop, maintain or authorize any website, domain name, e-mail address, social media account, username, other online presence or presence on any electronic, virtual, or digital medium of any kind (an "**Online Presence**") that mentions Franchisee's RWC Business, links to any System website, or displays any of the Marks, or engages in any promotional or similar activities, whether directly or indirectly, through any Online Presence. Franchisee may, however, use the microsite website that is provided to Franchisee during the Term, as well as the e-mail address that is associated with Franchisee's RWC Business.

If Franchisor approves the use of any such Online Presence in Franchisee's RWC Business operations, Franchisee will develop and maintain such Online Presence only in accordance with Franchisor's guidelines, including guidelines for posting any messages or commentary on third-party websites. Unless Franchisor specifies otherwise, Franchisor will own the rights to each such Online Presence. At Franchisor's request, Franchisee agrees to grant Franchisor access to each such Online Presence, and to take whatever action (including signing assignment or other documents) Franchisor requests to evidence Franchisor's ownership of such Online Presence, or to help Franchisor obtain exclusive rights in such Online Presence. If Franchisor allows Franchisee to maintain an Online Presence for Franchisee's RWC Business, Franchisee must prepare and link a privacy policy to such Online Presence. Franchisee's Online Presence's privacy policy must comply with all applicable laws, the System Standards, and other terms and conditions that Franchisor may prescribe in writing.

Franchisor retains the right to market the System on the Internet, including ownership and use of any Online Presence. Franchisor will maintain the brand website and list and advertise Franchisee's RWC Business on all major Internet search engines and Internet consumer review websites. Franchisor may require that Franchisee: (1) provide Franchisor with the information and materials Franchisor requests to develop, update, and modify any System website; and (2) notify Franchisor whenever any information on the System website regarding Franchisee or Franchisee's RWC Business is not accurate.

Franchisor reserves the right to require Franchisee to obtain from Franchisor and use an email address associated with Franchisor's registered domain name. If Franchisor requires Franchisee to obtain and use such an email address, Franchisee must do so according to Franchisor's then-current terms and conditions and System Standards. Franchisee acknowledges and agrees that Franchisor will have unrestricted access to and sole ownership of all such email accounts, and all documents, data, materials, and messages shared from or by such accounts. Franchisor may deactivate any such account or limit Franchisee's or its users' access to it at any time.

12. RELATIONSHIP OF THE PARTIES/INDEMNIFICATION.

12.A. INDEPENDENT CONTRACTORS.

Franchisee and Franchisor understand and agree that each contractor of Franchisor is an independent business, and that Franchisee and Franchisor are and will be independent contractors. This Agreement does not create a fiduciary relationship between Franchisee and Franchisor, and nothing in this Agreement is intended to make either Franchisee or Franchisor a general or special agent, joint venturer, partner, or employee of the other for any purpose. Franchisee agrees to identify itself conspicuously to all persons (including Members, suppliers, public officials, and employees of Franchisee's RWC Business) as Franchisee's RWC Business' owner and indicate clearly that Franchisee operate Franchisee's RWC Business separately and independently from Franchisor's business operations. Franchisee agrees to place notices of independent ownership on all forms, business cards, stationery, advertising, and other materials that Franchisor may require from time to time.

Franchisee acknowledges and agrees that Franchisee is solely responsible for all decisions relating to employees, agents, and independent contractors that Franchisee may hire to assist in the operation of Franchisee's RWC Business. Franchisee agrees that any employee, agent, or independent contractor that Franchisee hires will be Franchisee's employee, agent, or independent contractor, and not Franchisor's employee, agent, or independent contractor. Franchisee also agrees that Franchisee is exclusively responsible for the terms and conditions of employment of Franchisee's employees, including recruiting, hiring, firing, training, work hours and schedules, work assignments, safety and security, discipline, and supervision. Franchisee agrees to manage the employment functions of Franchisee's RWC Business in compliance with federal, state, and local employment laws.

12.B. NO LIABILITY FOR ACTS OF THE OTHER PARTY.

Franchisor and Franchisee may not make any express or implied agreements, warranties, guarantees, or representations, or incur any debt, in the name or on behalf of the other or represent that Franchisor's respective relationship is other than franchisor and franchise owner. Franchisor will not be obligated for any damages to any person or property directly or indirectly arising out of Franchisee's RWC Business' operation or the business Franchisee conduct under this Agreement.

12.C. TAXES.

Franchisor will have no liability for any sales, use, service, occupation, excise, gross revenue, income, property, or other taxes, whether levied on Franchisee or Franchisee's RWC Business, due to the business Franchisee conduct. Franchisee is fully responsible for paying these taxes; however, Franchisor may assist Franchisee in the administration of such taxes, including the remittance of the taxes to the applicable state and federal authorities, which shall be subject to the Administration Services Fee.

12.D. INDEMNIFICATION BY FRANCHISEE.

Franchisee agrees to indemnify, defend, and hold harmless Franchisor, its affiliates, and Franchisor's and its respective shareholders, directors, officers, employees, agents, successors, and assignees (the "**Indemnified Parties**") against, and to reimburse any one or more of the Indemnified Parties for, all claims, obligations, and damages directly or indirectly arising out of Franchisee's RWC Business' operation, the Affiliate Law Firm Business, Franchisee's (or Franchisee's owners, employees, agents, and/or independent contractors') participation in any training conducted by Franchisor, including the Initial Training Program, the business Franchisee conduct under this Agreement, or Franchisee's breach of this

Agreement, including those alleged to be or found to have been caused by the Indemnified Party's gross negligence or willful misconduct, unless (and then only to the extent that) the claims, obligations, or damages are determined to be caused solely by Franchisor's gross negligence or willful misconduct in a final, unappealable ruling issued by a court or arbitrator with competent jurisdiction.

For purposes of this indemnification, "claims" include all obligations, damages (actual, consequential, or otherwise), and costs that any Indemnified Party reasonably incurs in defending any claim against it, including reasonable accountants', arbitrators', attorneys', and expert witness fees, costs of investigation and proof of facts, court costs, travel and living expenses, and other expenses of litigation, arbitration, or alternative dispute resolution, regardless of whether litigation, arbitration, or alternative dispute resolution is commenced. Each Indemnified Party may, in its discretion and at Franchisee's expense, control the defense of any claim against it (including choosing and retaining its own legal counsel), agree to settlements of claims against it, and take any other remedial, corrective, or other actions in response to such claims.

This indemnity will continue in full force and effect subsequent to and notwithstanding this Agreement's expiration or termination. An Indemnified Party need not seek recovery from any insurer or other third party, or otherwise mitigate its losses and expenses, in order to maintain and recover fully a claim for indemnity under this Section. Franchisee agree that a failure to pursue a recovery or mitigate a loss will not reduce or alter the amounts that an Indemnified Party may recover under this Section.

13. MARKS.

13.A. OWNERSHIP AND GOODWILL OF MARKS.

Franchisee's right to use the Marks is derived only from this Agreement. Franchisee may only use the Marks to operate Franchisee's RWC Business according to this Agreement and in accordance with System Standards. Franchisee's unauthorized use of the Marks is a breach of this Agreement and infringes Franchisor's rights in the Marks. Franchisee's unauthorized use of the Marks will cause Franchisor irreparable harm for which there is no adequate remedy at law and will entitle Franchisor to injunctive relief. Franchisee acknowledges and agrees that Franchisee's use of the Marks and any goodwill established by that use are exclusively for Franchisor's benefit and this Agreement does not confer any goodwill or other interests in the Marks to Franchisee (other than the right to operate Franchisee's RWC Business under this Agreement). All provisions of this Agreement relating to the Marks apply to any additional proprietary trade and service marks Franchisor authorizes Franchisee to use. Franchisee may not at any time during or after the Term contest or assist any other person in contesting the validity of the Marks or Franchisor's ownership of the Marks.

13.B. LIMITATIONS ON FRANCHISEE'S USE OF THE MARKS.

Except as expressly set forth in the Sublicense Agreement, Franchisee has no right to sublicense or assign Franchisee's right to use the Marks. Franchisee agrees to display the Marks prominently on forms, advertising, supplies, employee uniforms, and other materials associated with Franchisee's RWC Business that Franchisor designate. If Franchisee's RWC Business is operated from a leased commercial space, Franchisee must obtain Franchisor's prior written approval of all signage used at the premises. Franchisee may not use any other trademarks, service marks or commercial symbols to identify or operate Franchisee's RWC Business.

Franchisee agrees to identify itself as the independent owner of Franchisee's RWC Business in the manner Franchisor prescribe. Franchisee may not use any Mark (1) as part of any corporate or legal business

name; (2) with any prefix, suffix, or other modifying words, terms, designs, or symbols (other than logos Franchisor have licensed to Franchisee); (3) in selling any unauthorized services or products; (4) as part of any Online Presence, except in accordance with Franchisor's guidelines set forth in the Operations Manual or otherwise in writing from time to time; (5) in advertising the transfer, sale, or other disposition of Franchisee's RWC Business or an ownership interest in Franchisee; or (6) in any other manner that Franchisor has not expressly authorized in writing.

13.C. NOTIFICATION OF INFRINGEMENT AND CLAIMS.

Franchisee agrees to notify Franchisor immediately of any apparent infringement or challenge to Franchisee's use of any Mark, or of any person's claim of any rights in any Mark, and not to communicate with any person other than Franchisor, its attorneys, and Franchisee's attorneys, regarding any possible infringement, challenge, or claim. Franchisor and/or its affiliates may take any action Franchisor deems appropriate (including no action) and control exclusively any litigation, U.S. Patent and Trademark Office proceeding, or other administrative proceeding arising from any infringement, challenge, or claim or otherwise concerning any Mark. Franchisee agrees to sign any documents and take any other reasonable action that, in the opinion of Franchisor's attorneys, are necessary or advisable to protect and maintain Franchisor's interests in any litigation or Patent and Trademark Office or other proceeding or otherwise to protect and maintain Franchisor's interests in the Marks. Franchisor will reimburse Franchisee for Franchisee's reasonable costs of taking any action that Franchisor has asked Franchisee to take.

13.D. DISCONTINUANCE OF USE OF MARKS.

Franchisor may at any time, in its sole discretion, require Franchisee to modify or discontinue using any Mark and/or use one or more additional or substitute Marks. Franchisee agrees to replace the Marks used for Franchisee's RWC Business with the modified, additional or substitute Marks Franchisor specifies and comply with all other directions Franchisor give regarding the Marks used for Franchisee's RWC Business within a reasonable time after receiving notice from Franchisor. Franchisor is not required to reimburse Franchisee for any costs or expenses associated with making such changes, for any loss of revenue due to any modified or discontinued Mark, or for Franchisee's expenses of promoting a modified or substitute Mark.

Franchisor rights in this Section 13.D apply to any and all of the Marks (and any portion of any Mark) that Franchisor authorizes Franchisee to use in this Agreement. Franchisor may exercise these rights at any time and for any reason, business or otherwise, that Franchisor thinks best. Franchisee acknowledges both Franchisor's right to take this action and Franchisee's obligation to comply with Franchisor's directions.

13.E. INDEMNIFICATION FOR USE OF THE MARKS.

Franchisor agrees to reimburse Franchisee for all damages and expenses that Franchisee incurs in responding to any trademark infringement proceeding disputing Franchisee's authorized use of any Mark under this Agreement if Franchisee has timely notified Franchisor of the proceeding, and complied with Franchisor's directions in responding to it. At Franchisor's option, Franchisor and/or its affiliates may defend and control the defense of any proceeding arising from Franchisee's use of any Mark under this Agreement.

14. RECORDS AND REPORTS.

Franchisee must use the standard chart of accounts, income statement, and balance sheet format provided by Franchisor in preparation of any records or reports. Franchisee is required to use a bookkeeping service, software, or certified public accountant to generate monthly financial statements for Franchisee's RWC Business. Such statements must be generated and provided to Franchisor by the 20th day of each month for the preceding month. Franchisee must maintain in a secure location at the Office during the Term, and must preserve for at least three (3) years from the dates of their preparation, full, complete and accurate books, records and accounts from Franchisee's RWC Business (including sales checks, purchase orders, invoices, payroll records, Member lists, check stubs, sales tax records and returns, cash receipts and disbursement journals, Bank Account statements, and general ledgers) in the form and manner Franchisor prescribes in the Operations Manual or otherwise in writing.

Franchisee shall comply with the following reporting obligations:

(a) within the time limits specified in the Operations Manual or otherwise in writing by Franchisor, such other periodic operating statements, financial statements, statistical reports, daily Business Account statements, and other information Franchisor request regarding Franchisee and Franchisee's RWC Business;

(b) by March 1 of each year, annual profit and loss and source and use of funds statements and a balance sheet for Franchisee's RWC Business as of the end of the prior calendar year; provided, however, Franchisor reserves the right to require Franchisee to submit such reports on a monthly basis showing Franchisee's financial results for the preceding month; and

(c) within 10 days after Franchisor's request, exact copies of federal and state income tax returns, sales tax returns, and any other forms, records, books, and other information Franchisor may periodically require relating to Franchisee and Franchisee's RWC Business.

Franchisor may, in its sole discretion, require Franchisee to submit or otherwise provide Franchisee's monthly statements or other records for Franchisee's RWC Business on a more or less frequent basis, through electronic means or otherwise, including through any reporting software or other tools as Franchisor may require. Franchisee (or one of its employees) agrees to sign and verify each report and financial statement in the manner Franchisor prescribes. Franchisor may disclose data derived from these reports. Moreover, Franchisor may, as often as Franchisor deems appropriate (including on a daily basis), independently access the Technology System, and retrieve and retain all information relating to the operation of Franchisee's RWC Business. Franchisor may require Franchisee to have audited financial statements prepared annually during the Term.

15. INSPECTION AND AUDITS.

15.A. FRANCHISOR'S RIGHT TO INSPECT FRANCHISEE'S RWC BUSINESS.

To determine whether Franchisee and Franchisee's RWC Business are complying with this Agreement and all System Standards, Franchisor and its designated agents or representatives may at all times and without prior notice to Franchisee: (1) inspect the Office and any location where any of Franchisee's employees are providing services; (2) photograph the Office and observe and videotape Franchisee's RWC Business' operation for consecutive or intermittent periods Franchisor deem necessary; (3) continuously or periodically monitor Franchisee's RWC Business using electronic surveillance or other means; (4) remove samples of any products and supplies; (5) interview Franchisee's RWC Business'

personnel and Members; and (6) inspect and copy any books, records, and documents relating to Franchisee's RWC Business' operation. Additionally, Franchisor may contract with third parties to conduct Member survey or other market research testing, and "mystery shopper" and other quality assurance inspections at Franchisee's RWC Business, and Franchisor reserves the right to require Franchisee to reimburse Franchisor the costs and expenses associated with such inspection services. Franchisee agrees to cooperate with Franchisor fully during the course of these inspections and tests. If Franchisor exercises any of these rights, Franchisor will not interfere unreasonably with Franchisee's RWC Business' operation.

15.B. FRANCHISOR'S RIGHT TO AUDIT.

Franchisor may at any time during Franchisee's business hours, and without prior notice to Franchisee, examine Franchisee's and Franchisee's RWC Business' bookkeeping and accounting records, sales and income tax records and returns, and other records. Franchisee agrees to cooperate fully with Franchisor's representatives and independent accountants in any examination. If any examination discloses Members paid Membership Fees directly to Franchisee and Franchisee did not revert to Franchisor or its affiliates pursuant to the terms of this Agreement, Franchisee agrees to pay Franchisor the Membership Fees and any other fees understated, plus interest on the understated amounts from the date originally due until the date of payment, within 15 days after receiving the examination report. Furthermore, if an examination is necessary due to Franchisee's failure to furnish reports, supporting records, or other information as required, or to furnish these items on a timely basis, Franchisee agrees to reimburse Franchisor for the costs of the examination, including the charges of attorneys and independent accountants and the travel expenses, room and board, and compensation of Franchisor's employees. Franchisor may also charge interest on the overdue amounts at the greater rate of one and a half percent (1.5%) per month or the highest amount allowable by law. These remedies are in addition to Franchisor's other remedies and rights under this Agreement and applicable law.

16. TRANSFER OF INTEREST.

16.A. BY FRANCHISOR.

Franchisee acknowledges that Franchisor maintains a staff to manage and operate the System and that staff members can change as employees come and go. Franchisee acknowledges that Franchisee did not sign this Agreement in reliance on the continued participation by or employment of any of Franchisor's shareholders, directors, officers, or employees. Franchisor may change its ownership or form of organization and/or assign this Agreement and any other agreement to a third party without restriction. After Franchisor's assignment of this Agreement to a third party who expressly assumes the obligations under this Agreement, Franchisor no longer will have any obligations under this Agreement. This Agreement and any other agreement will inure to the benefit of any transferee or other legal successor to Franchisor's interest in it.

16.B. BY FRANCHISEE.

Franchisee acknowledges that the rights and duties this Agreement creates are personal to Franchisee and Franchisee's owners and that Franchisor has granted Franchisee the Franchise in reliance on Franchisor's perception of Franchisee's and Franchisee's owners' individual or collective character, skill, aptitude, attitude, business ability, and financial capacity. Accordingly, none of the following may be transferred without Franchisor's prior written approval: (i) this Agreement (or any interest in this Agreement); (ii) Franchisee's RWC Business (or any right to receive all or a portion of Franchisee's RWC Business' profits or losses or capital appreciation related to Franchisee's RWC Business); (iii) substantially all of the assets of Franchisee's RWC Business; (iv) any direct or indirect ownership interest in Franchisee's

RWC Business (regardless of its size); or (v) any direct or indirect ownership interest in any of Franchisee's RWC Business' employees or owners (if such owners are legal entities). A transfer of Franchisee's RWC Business' ownership, possession, or control, or substantially all of its assets, may be made only with a transfer of this Agreement. Any transfer without Franchisor's approval is a breach of this Agreement and has no effect. In this Agreement, the term "**transfer**" includes a voluntary, involuntary, direct, or indirect assignment, sale, gift, or other disposition, including transfer by reason of merger, consolidation, issuance of additional securities, death, disability, divorce, insolvency, foreclosure, surrender or by operation of law.

Franchisee may not pledge or encumber this Agreement, Franchisee's RWC Business or an ownership interest in Franchisee or Franchisee's owners (to someone other than Franchisor) as security for any loan or other financing unless (1) Franchisor grants its prior written consent, and (2) the lender agrees that its claims will be subordinate to all amounts Franchisee owes at any time to Franchisor, Franchisor's affiliates, or lenders.

Franchisee is responsible for marketing the sale of Franchisee's RWC Business and finding a potentially suitable buyer. If Franchisee intends to list Franchisee's RWC Business for sale with any broker or agent, Franchisee shall do so only after obtaining Franchisor's written approval of the broker or agent and of the listing agreement. Franchisee may not use or authorize the use of any Mark in advertising the transfer or other disposition of Franchisee's RWC Business or of any ownership in Franchisee without Franchisor's prior written consent. Franchisee shall not use or authorize the use of, and no third party shall on Franchisee's behalf use, any written materials to advertise or promote the transfer of Franchisee's RWC Business or of any ownership interest in Franchisee without Franchisor's prior written approval of such materials.

16.C. CONDITIONS FOR APPROVAL OF TRANSFER.

Subject to the other provisions of this Section 16, if Franchisee and Franchisee's owners are fully complying with this Agreement, Franchisor will approve a transfer that meets all of the requirements in this Section 16.C.

If the proposed transfer is not of a Controlling Interest (defined below) in Franchisee or Franchisee's owners (determined as of the date on which the proposed transfer will occur), then Franchisor will approve such transfer if the proposed transferee and its direct and indirect owners (if the transferee is an entity) are of good character and meet Franchisor's then applicable standards for franchise owners (including no ownership interest or performance of services for a Competitive Business). Franchisor will, in its sole discretion, determine if the proposed transferee is direct or indirect owners (if the transferee is an entity) meets Franchisor's standards. If the proposed transfer is of this Agreement, Franchisee's RWC Business, substantially all the assets of Franchisee's RWC Business, or a Controlling Interest in Franchisee or one of Franchisee's owners, or is one of a series of transfers (regardless of the time period over which these transfers take place), which in the aggregate transfers this Agreement, Franchisee's RWC Business, substantially all the assets of Franchisee's RWC Business, or a Controlling Interest in Franchisee or one of Franchisee's owners, then all of the following conditions must be met before or concurrently with the effective date of the transfer:

- (1) Franchisee submits an application, in writing, requesting Franchisor's consent and providing Franchisor all information or documents Franchisor requests about the transferee and its owners that Franchisor requests to evaluate their ability to satisfy their respective obligations under Franchisor's then-current form of franchise agreement and any documents ancillary thereto, and each such person must have completed and satisfied all of Franchisor's application and certification requirements, including the criteria that neither the transferee nor its owners (if the transferee is an

entity) or affiliates have an ownership interest (direct or indirect) in or perform services for a Competitive Business;

(2) Franchisee has provided Franchisor executed versions of any documents executed by Franchisee (or Franchisee's owners) and the transferee (and its owners) to affect the transfer, and all other information Franchisor requests about the proposed transfer, and such transfer meets all of Franchisor's requirements, including criteria for terms and conditions, closing date, purchase price, amount of debt and payment terms;

(3) Franchisee (and Franchisee's owners) and the transferee (and its owners) sign all of the documents Franchisor is then requiring in connection with a transfer, in a form satisfactory to Franchisor, including: (i) a general release of any and all claims against Franchisor and its affiliates and Franchisor and its owners, officers, directors, employees, and agents, (ii) a covenant that Franchisee and Franchisee's transferring owners (and Franchisee's and their immediate family members) will not, for two (2) years beginning on the transfer's effective date, engage in any of the activities proscribed in Section 18.E below, (iii) covenants that Franchisee and Franchisee's transferring owners satisfy all other post-termination obligations under this Agreement;

(4) Franchisee has paid all Program Fees, Brand Fund contributions, and other amounts owed to Franchisor, its affiliates, and third-party vendors, and have submitted all required reports and statements;

(5) Franchisee and its owners have not violated any provision of this Agreement or any other agreement with Franchisor or its affiliates during both the 60-day period before Franchisee requested Franchisor's consent to the transfer and the period between Franchisee's request and the effective date of the transfer;

(6) the transferee's Operating Principal must complete Franchisor's then-current Initial Training Program to Franchisor's satisfaction;

(7) if the proposed transfer (including any assignment of the lease or subleasing of the Office) requires notice to or approval from Franchisee's landlord, or any other action under the terms of the lease, Franchisee have taken such appropriate action and delivered Franchisor evidence of the same;

(8) the transferee shall (if the transfer is of this Agreement), or Franchisee shall (if the transfer is of a Controlling Interest in Franchisee or one of its owners), sign Franchisor's then-current form of franchise agreement and related documents, any and all of the provisions of which may differ materially from any and all of those contained in this Agreement, including the amount of the Program Fee, the Brand Fund contribution, and/or changes to the imposition of territorial protections; provided, however, that the term of the new franchise agreement signed will equal the remainder of the then-remaining Term;

(9) Franchisee pays Franchisor, or arranges for the payment to Franchisor by the transferee, a transfer fee equal to 75% of Franchisor's then-current Initial Franchise Fee, unless (a) the transfer is of a non-Controlling Interest in Franchisee's RWC Business between existing employee or an existing employee and a new shareholder, in which case the transfer fee is \$1,500, or (b) the transfer is to an existing *Red Wagon Club* franchisee, in which case the transfer fee is equal to 33% of Franchisor's then-current Initial Franchise Fee;

(10) Franchisor has determined that the purchase price and payment terms will not adversely affect the transferee's operation of Franchisee's RWC Business;

(11) if Franchisee or its owners finance any part of the purchase price, Franchisee and/or its owners agree that all of the transferee's obligations under promissory notes, agreements, or security interests reserved in Franchisee's RWC Business are subordinate to the transferee's obligation to pay Program Fees, Brand Fund contributions, and other amounts due to Franchisor, its affiliates, and third-party vendors related to the operation of Franchisee's RWC Business and otherwise to comply with this Agreement;

(12) Franchisee has corrected any existing deficiencies of Franchisee's RWC Business of which Franchisor has notified Franchisee, and/or the transferee agrees to upgrade and refurbish any aspect of the Office in accordance with Franchisor's then-current requirements and specifications for new Businesses within the time period Franchisor specifies following the effective date of the transfer (Franchisor will advise the transferee before the effective date of the transfer of the specific actions that it must take and the time period within which such actions must be taken) and the transferee agrees to escrow an amount Franchisor approves for payment of the required upgrade or refurbishment; and

(13) Franchisee provides Franchisor the evidence Franchisor reasonably requests to show that appropriate measures have been taken to affect the transfer as it relates to the operation of Franchisee's RWC Business, including, by transferring all necessary and appropriate business licenses, insurance policies, and material agreements, or obtaining new business licenses, insurance policies and material agreements.

In addition to the foregoing conditions, a proposed transfer of this Agreement may not be made separately from or independently of a transfer to the same recipient of all of the Agreements (and the RWC Businesses operated pursuant thereto) executed by Franchisee or its affiliates.

Franchisor may review all information regarding Franchisee's RWC Business that Franchisee give the transferee, correct any information that Franchisor believes is inaccurate, and give the transferee copies of any reports that Franchisee has given Franchisor or Franchisor have made regarding Franchisee's RWC Business.

Franchisor's consent to a transfer pursuant to this Section is not a representation of the fairness of the terms of any contract between Franchisee and the transferee, a guarantee of Franchisee's RWC Business' or transferee's prospects of success, or a waiver of any claims Franchisor has against Franchisee (or its owners) or of Franchisor's right to demand the transferee's full compliance with this Agreement.

For purposes of this Agreement, a "**Controlling Interest**" means:

(1) if Franchisee is a corporation, such number of the voting shares of Franchisee as (a) shall permit voting control of Franchisee on any issue and (b) shall prevent any other person, group, combination, or entity from blocking voting control on any issue or exercising any veto power;

(2) if Franchisee is a general partnership, a managing partnership interest or such percentage of the general partnership interests in Franchisee as (a) shall permit determination of the outcome on any issue and (b) shall prevent any other person, group, combination, or entity from blocking voting control on any issue or exercising any veto power;

(3) if Franchisee is a limited partnership, a general partnership interest; or

(4) if Franchisee is a limited liability company, such percentage of the membership interests as (a) shall permit determination of the outcome on any issue and (b) shall prevent any other person, group, combination or entity from blocking voting control on any issue or exercising any veto power.

16.D. DEATH OR DISABILITY.

Upon the death or permanent disability of Franchisee's Operating Principal, the executor, administrator, conservator, or other personal representative of that person, or the remaining shareholders, members or partners, must appoint a new Operating Principal who will have ownership interest and the authority to take legally binding actions on Franchisee's RWC Business' behalf within a reasonable time, not to exceed 30 days from the date of death or permanent disability (the "**Replacement Operating Principal**"). The appointed Replacement Operating Principal must attend and successfully complete the Initial Training Program within 120 days of the appointment. If Franchisee's RWC Business is not being managed by a Replacement Operating Principal approved by Franchisor within 30 days after death or permanent disability, Franchisor is authorized, but not required, to immediately appoint a Replacement Operating Principal to maintain the operations of Franchisee's RWC Business on Franchisee's behalf, in accordance with Section 16.C, until an approved assignee is able to assume the management and operation of Franchisee's RWC Business.

Upon death of Franchisee (or the death of any owner), the executor, administrator, conservator, or other personal representative of Franchisee must transfer his interest to a person Franchisor approves within a reasonable time, not to exceed 12 months from the date of death.

16.E. FRANCHISOR'S RIGHT OF FIRST REFUSAL.

If Franchisee or any of its owners shall at any time determine to sell an interest in this Agreement, the franchise, Franchisee's RWC Business, some or all of the assets of Franchisee's RWC Business (other than in the ordinary course of business) or an ownership interest in Franchisee, Franchisee or its owner(s) shall obtain a bona fide, arms' length, executed letter of intent from a qualified, responsible, bona fide and fully disclosed purchaser. Franchisee or its owner(s) (or both) shall immediately submit to Franchisor a true and complete copy of such letter of intent (conditioned on Franchisor's right of first refusal) and any proposed ancillary agreements. The letter of intent must apply only to an interest which is permitted to be transferred under this Agreement and may not include the purchase of any of Franchisee's (or its owners') other property or rights. The price and terms of purchase offered to Franchisee (or its owner(s)) in the letter of intent for the aforementioned interests shall reflect the bona fide price offered therefore and shall not reflect any value for any other property or rights. If the purchaser proposes to buy any other property or rights from Franchisee (or its owner(s)) under a separate, contemporaneous transaction, Franchisee shall submit a true and complete copy of a bona fide, arms' length executed letter of intent for that transaction (and any proposed ancillary agreements).

Franchisor will have the right, but not the requirement, exercisable by written notice delivered to Franchisee or such owner(s) within 30 days from the date of receipt by Franchisor of an exact copy of such letter of intent to purchase such interest for the price and on the terms and conditions contained in such letter of intent, provided that Franchisor's credit shall be deemed equal to the credit of any proposed purchaser, and Franchisor shall have not less than 60 days to prepare for closing. If the letter of intent contemplates payment of any or the entire purchase price by a credit instrument of any type, Franchisor shall have the option to use the same payment method at Franchisor's discretion, and Franchisor may choose

to use alternative means of payment subject to the individual agreement. Regardless of whether contemplated under the letter of intent, Franchisor shall be entitled to all customary representations and warranties given by the seller of a business, including representations and warranties as to: (1) ownership, condition and title to the ownership interests and/or assets being purchased; (2) liens and encumbrances relating to such ownership interests and/or assets; and (3) validity of contracts and liabilities, contingent or otherwise, of any legal entity whose ownership interests are purchased.

A transfer of the franchise, Franchisee's RWC Business, or an ownership interest in Franchisee to an immediate family member is not subject to Franchisor's right of first refusal, but such transfer is subject to the requirements of Sections 16.B and 16.C. For purposes of this paragraph, an "**immediate family member**" is limited to a spouse and/or a living child or living children or living grandchildren.

If Franchisor does not exercise Franchisor's right of first refusal, Franchisee or its owner(s) may complete the sale to such purchaser pursuant to and on the exact terms of such letter of intent, subject to Franchisor's approval of the transfer, as provided for in this Agreement, provided that if the sale to such purchaser is not completed within 120 days after receipt of such letter of intent by Franchisor, or if there is a change in the terms of the sale, Franchisor shall have an additional right of first refusal for 30 days as set forth herein on the modified or initial terms and conditions of sale.

17. TERMINATION.

17.A. TERMINATION BY FRANCHISOR.

Franchisor may terminate this Agreement, effective on delivery of written notice of termination to Franchisee, if:

- (1) Franchisee (or any of its owners) have made or make any material misrepresentation or omission in acquiring the Franchise or operating Franchisee's RWC Business;
- (2) Franchisee does not comply with the conditions specified in Section 4, and commence operations of Franchisee's RWC Business for full use by Members, by the Commencement Deadline specified in Section 4.F;
- (3) Franchisee's Operating Principal does not complete the Initial Training Program to Franchisor's satisfaction in accordance with Section 5.A;
- (4) Franchisee abandons or fails to actively operate Franchisee's RWC Business for more than two (2) consecutive business days, or 14 days during any 12-month period, or provide Franchisor or any other party notice (written or oral) that Franchisee intends to permanently close or otherwise abandon the operation of Franchisee's RWC Business;
- (5) Franchisee (or its owner(s)) makes or attempts to make any transfer in violation of Section 16;
- (6) Franchisee (or any of its owner(s)) is or has been convicted by a trial court of, or pleaded guilty or no contest to, a felony;
- (7) Franchisee fails to maintain the insurance Franchisor requires and does not correct the failure within five (5) days after Franchisor delivers written notice of that failure to Franchisee;

(8) Franchisee (or any of its owner(s)) engages in any dishonest or unethical conduct which, in Franchisor's opinion, adversely affects Franchisee's RWC Business' or Franchisor's reputation or the goodwill associated with the Marks;

(9) Franchisee (or any of its owner(s)) knowingly makes any unauthorized use or disclosure of any Confidential Information;

(10) Franchisee violates any applicable law, regulation, ordinance or consent decree, or fails to maintain any bond, license or permit, and does not cure such violation or failure within five (5) days after Franchisor or any applicable government agency delivers notice to Franchisee of that violation or failure;

(11) Franchisee fails to pay Franchisor (or its affiliates) any amounts due and does not correct the failure within 10 days after Franchisor delivers written notice of that failure to Franchisee;

(12) Franchisee fails to pay when due any federal or state income, service, sales, or other taxes due on Franchisee's RWC Business' operation, unless Franchisee is in good faith contesting its liability for these taxes;

(13) Franchisee has insufficient funds in its Business Account to cover Franchisee's payments owed for Program Fees, Brand Fund contributions, and other amounts due on three (3) separate occasions within a 12-month period;

(14) Franchisee (a) fails on three (3) or more separate occasions within any 12 consecutive month period to comply with this Agreement, whether or not Franchisor notifies Franchisee of the failures, and, if Franchisor does notify Franchisee of the failures, whether or not Franchisee corrects the failures after Franchisor's delivery of notice to Franchisee; or (b) fails on two (2) or more separate occasions within any 12 consecutive month period to comply with the same obligation under this Agreement, whether or not Franchisor notifies Franchisee of the failures, and, if Franchisor does notify Franchisee of the failures, whether or not Franchisee corrects the failures after Franchisor's delivery of notice to Franchisee;

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

(16) any of Franchisee's or its owners' assets, property, or interests are blocked under any law, ordinance, or regulation relating to terrorist activities, or Franchisee or any of its employees otherwise violate any such law, ordinance, or regulation;

(17) Franchisee fails to pay when due any third-party supplier or taxing authority and do not cure such failure within the applicable cure period;

(18) Franchisee deposits or converts any funds received from Members in violation of Section 6.C of this Agreement;

(19) either Franchisee or Affiliate Law Firm Business Owner fails to comply with the Sublicense Agreement and does not correct the failure within the cure period set forth therein;

(20) the Sublicense Agreement is terminated at any time during the Term; or

(21) Franchisee (or any of its owners) fails to comply with any other provision of this Agreement or any System Standard and does not correct the failure within 30 days after Franchisor delivers written notice of the failure to Franchisee.

17.B. TERMINATION BY FRANCHISEE.

Franchisee may terminate this Agreement if Franchisee is in full compliance with this Agreement and Franchisor materially fails to comply with this Agreement, and (i) Franchisor fails to correct the failure within one hundred eighty (180) days after Franchisee delivers written notice of the material failure to Franchisor, or (ii) if Franchisor cannot correct the failure within one hundred eighty (180) days, Franchisor fails to give Franchisee within one hundred eighty (180) days after Franchisee's notice reasonable evidence of Franchisor's effort to correct the failure within a reasonable time. Franchisee's termination under this Section will be effective an additional thirty (30) days after Franchisee delivers to Franchisor a written notice of termination following Franchisor's failure to correct the failure identified in Franchisee's initial written notice to Franchisor. If Franchisee terminates this Agreement other than according to this Section 17.B, the termination will be deemed a termination without cause and a breach of this Agreement.

18. OBLIGATIONS UPON TERMINATION OR EXPIRATION.

18.A. PAYMENT OF AMOUNTS OWED TO FRANCHISOR.

Franchisee agrees to pay Franchisor the Program Fees, Brand Fund contributions, interest, and all other amounts owed to Franchisor (and its affiliates) within 15 days after this Agreement expires or is terminated, or on any later date that Franchisor determines, calculated as of the date of payment. Franchisor has the right to set off any amount Franchisee or its owners owe Franchisor or its affiliates, including reasonable attorneys' fees incurred by Franchisor, if any, in connection with the termination of this Agreement pursuant to Franchisee's default hereunder, against any amounts Franchisor or its affiliates owe Franchisee, its owners or its affiliates. Franchisee acknowledges that termination or expiration of this Agreement does not affect Franchisee's liability for amounts Franchisee (or its owners or affiliates) owes any third parties or creditors and Franchisor does not assume any such liabilities.

18.B. MARKS.

In the case of expiration, Franchisee must remove all property from the Office containing any Mark and return to Franchisor all proprietary materials, including any copies of the Operations Manual, and return or destroy all items, forms, and materials containing any Mark or otherwise identifying or relating to an RWC Business on or before the date on which this Agreement expires. In the case of a termination, Franchisee must return to Franchisor all proprietary materials, including any copies of the Operations Manual, and return or destroy all items, forms, and materials containing any Mark or otherwise identifying or relating to an RWC Business within seven (7) days after the date this Agreement is terminated.

When this Agreement expires or is terminated, Franchisee and its owners:

(a) may not directly or indirectly at any time or in any manner (except with other Businesses Franchisee owns and operates) identify itself or any business as a current or former

Business or as one of Franchisor's current or former franchise owners; use any Mark, any colorable imitation of a Mark, or other indicia of an RWC Business in any manner or for any purpose; or use for any purpose any trade name, trade or service mark, or other commercial symbol that indicates or suggests a connection or association with Franchisor;

(b) agree to take the action required to cancel or assign all fictitious or assumed name or equivalent registrations relating to Franchisee's use of any Mark;

(c) agree to cease using and, at Franchisor's direction, either disable or instruct the registrar of any Contact Identifiers or Online Presence to transfer exclusive control and access of such Contact Identifiers or Online Presence to Franchisor or its designee in accordance with its instructions;

(d) agree to comply with all applicable laws in connection with the closure and de-identification of Franchisee's RWC Business;

(e) immediately cease using any email address that is associated with a domain name Franchisor own or the Marks;

(f) must provide Franchisor with all agreements and other data pertaining to existing and potential Members solicited or otherwise engaged by Franchisee's RWC Business;

(g) pay any damages applicable under this Agreement or other agreements between Franchisor or its affiliates and Franchisee;

(h) adhere to all provisions in this Agreement that survive the expiration or termination of this Agreement, including provisions for non-disparagement and non-competition; and

(i) agree to give Franchisor, within 30 days after the expiration or termination of this Agreement, evidence satisfactory to Franchisor of Franchisee's compliance with these obligations.

If Franchisee fails to take any of the actions (or refrain from taking any of the actions) described above, Franchisor may take whatever action and sign whatever documents Franchisor deems appropriate on Franchisee's behalf to cure the deficiencies.

18.C. CONFIDENTIAL INFORMATION.

Franchisee agrees that when this Agreement expires or is terminated Franchisee will immediately cease using any of Franchisor's Confidential Information in any business or otherwise and return to Franchisor all copies of the Operations Manual and any other Confidential Information that Franchisor have loaned Franchisee. Franchisee also agrees to comply with all of Franchisor's directions for returning or deleting Personal Information, in any form, in Franchisee's possession or the possession of any of Franchisee's employees. Franchisor may require Franchisee to certify in writing that Franchisee has returned or securely deleted all Personal Information.

18.D. CONTINUING OBLIGATIONS.

All of Franchisor's and Franchisee's (and Franchisee's owner(s)') obligations which expressly or by their nature survive this Agreement's expiration or termination will continue in full force and effect

subsequent to and notwithstanding its expiration or termination and until they are satisfied in full or by their nature expire.

18.E. POST-TERM COVENANT NOT TO COMPETE.

Upon expiration or termination of this Agreement for any reason, neither Franchisee, its affiliates, nor any owner nor any member of the immediate family of Franchisee or any owner, shall directly or indirectly for a period of twenty-four (24) months commencing on the effective date of such termination or expiration, or the date on which Franchisee ceases to operate Franchisee's RWC Business, whichever is later:

- (1) have any interest as a disclosed or beneficial owner in any Competitive Business located or operating:
 - (a) at the Office, or
 - (b) within the Territory, or
 - (c) within a twenty-five (25) mile radius of the protected territory of any other Business in operation or under development on the effective date of termination or expiration of this Agreement;
- (2) perform services as a director, officer, manager, employee, consultant, lessor, representative, agent, or otherwise for any Competitive Business located or operating:
 - (a) at the Office, or
 - (b) within the Territory, or
 - (c) within a twenty-five (25) mile radius of the protected territory of any other Business in operation or under development on the effective date of termination or expiration of this Agreement; or
- (3) divert or attempt to divert any business or any customers of any Businesses to any Competitive Business.

The restrictions of Subparagraph (1) of this Section 18.E. will not be applicable to the ownership of shares of a class of securities listed on a stock exchange or traded on the over-the-counter market and quoted on a national inter-dealer quotation system that represent less than three percent (3%) of the number of shares of that class of securities issued and outstanding.

18.F. WEBSITE.

Upon termination or expiration of this Agreement, Franchisee will surrender and, if requested by Franchisor, will assign and transfer to Franchisor, any microsite website domain name and address Franchisee has registered for or incidental to the operation of Franchisee's RWC Business under this Agreement. Franchisor has the right and are hereby empowered to effectuate the assignment and transfer of the website domain name and address if Franchisee fails to do so, but Franchisee will remain liable to the registrar, hosting company and/or internet service provider for all past due fees owing to such companies on or before the effective date of the assignment and transfer hereunder.

18.G. MEMBERSHIP AGREEMENTS UPON TERMINATION.

Upon termination or expiration, Franchisee must deliver to Franchisor (in the format Franchisor requires) all Member Information. Franchisee acknowledges and agrees that Franchisor shall direct and control any and all correspondence to Members regarding the termination or expiration of this Agreement. Franchisee will not, without the prior written consent of Franchisor, notify or otherwise communicate to any Members regarding the anticipated or actual termination or expiration of this Agreement.

18.H. LOST REVENUE DAMAGES.

If Franchisor terminates this Agreement because of Franchisee's breach or if Franchisee terminates this Agreement without cause, Franchisee and Franchisor agree that it would be difficult, if not impossible, to determine the amount of damages that Franchisor would suffer due to the loss or interruption of the revenue stream Franchisor otherwise would have derived from Franchisee's continued payment of Program Fees and the Brand Fund contributions, less any cost savings, through the remainder of the Term (the "**Lost Revenue Damages**"). Franchisee and Franchisor agree that a reasonable estimate of the Lost Revenue Damages is, and Franchisee agrees to pay Franchisor as compensation for the Lost Revenue Damages, an amount equal to the then net present value of the Program Fees and the Brand Fund contributions that would have become due had this Agreement not been terminated, from the date of termination to the earlier of: (a) two (2) years following termination or (b) the scheduled expiration of the then-current Term (the "**Measurement Period**"). For this purpose, Lost Revenue Damages shall be calculated by multiplying (i) the number of calendar months in the Measurement Period by (ii) the aggregate of the then-current monthly Program Fees and Brand Fund contributions. Franchisee and Franchisor agree that the calculation described in this Section is a calculation only of the Lost Revenue Damages and that nothing herein shall preclude or limit Franchisor from proving and recovering any other damages caused by Franchisee's breach of this Agreement.

Franchisee agrees to pay Franchisor Lost Revenue Damages, as calculated in accordance with this Section, within 15 days after this Agreement is terminated, or on any later date that Franchisor determines. Franchisee and Franchisor agree that the calculation described in this Section is a calculation only of the Lost Revenue Damages and that nothing herein shall preclude or limit Franchisor from proving and recovering any other damages caused by Franchisee's breach of the Agreement.

19. FRANCHISOR'S OPTION TO PURCHASE FRANCHISEE'S RWC BUSINESS.

If this Agreement is terminated by Franchisor or expires, Franchisor or its assignee shall have the option, exercisable by giving written notice thereof within sixty (60) days from the date of such expiration or termination (the "**Election Period**"), to purchase from Franchisee all the assets used in Franchisee's RWC Business. As used in this paragraph, "assets" shall mean and include leasehold improvements, equipment, computer hardware, furnishings, fixtures, signs, inventory, materials, and supplies of Franchisee's RWC Business, expressly excluding the Lease. Franchisor shall have the unrestricted right to assign this option to purchase. Franchisor or its assignee shall be entitled to all customary warranties and representations given by the seller of a business including representations and warranties as to: (1) ownership, condition and title to assets; (2) liens and encumbrances relating to the assets; and (3) validity of contracts and liabilities, inuring to Franchisor or affecting the assets, contingent or otherwise. As part of the terms of any such purchase, Franchisee and its owners will provide Franchisor or its assignee indemnification consistent with Franchisee's indemnification obligations included in Section 12.D of this Agreement.

The purchase price for the assets of Franchisee's RWC Business shall be the reasonable fair market value of the purchased assets, provided that these items will not include any value for the rights granted by this Agreement, any goodwill attributable to Franchisor's Marks, brand image, and other intellectual property, or any participation in the network of Businesses. Franchisor shall have the right to set off against and reduce the purchase price by any and all amounts owed by Franchisee to Franchisor, the amount of any liabilities assumed by Franchisor, and the amount necessary to modify or replace any assets so that Franchisee's RWC Business meets Franchisor's then-current standards and specifications for Businesses.

The purchase price shall be paid in cash at the closing of the purchase, which shall take place no later than ninety (90) days after Franchisee's receipt of Franchisor's notice of exercise of this option to purchase, at which time Franchisee shall deliver instruments transferring to Franchisor or its assignee: (i) good and merchantable title to the assets purchased, free and clear of all liens and encumbrances (other than liens and security interests acceptable to Franchisor or its assignee), with all sales and other transfer taxes paid by Franchisee; and (ii) all licenses and permits of Franchisee's RWC Business which may be assigned or transferred. In the event that Franchisee cannot deliver clear title to all of the purchased assets as aforesaid, or in the event there shall be other unresolved issues, the closing of the sale shall be accomplished through an escrow. Further, Franchisee and Franchisor shall, prior to closing, comply with all applicable legal requirements, including the bulk sales provisions of the Uniform Commercial Code of the state in which Franchisee's RWC Business is located and the bulk sales provisions of any applicable tax laws and regulations. Franchisee shall, prior to or simultaneously with the closing of the purchase, pay all tax liabilities incurred in connection with the operation of Franchisee's RWC Business.

During the Election Period and, if Franchisor or its assignee exercises this option to purchase, until the closing of such purchase as hereinabove provided, Franchisor shall have the right to assume (or to designate a third party to assume) operations of Franchisee's RWC Business until the closing or such earlier time Franchisor elects. Franchisee will not prohibit Franchisee's employees from working for Franchisor or the designated third party during the Election Period or thereafter if Franchisor elects to exercise its purchase option under this Section 19. Alternatively, Franchisor may require Franchisee to close Franchisee's RWC Business during such time period without removing any assets from Franchisee's RWC Business. In either case, Franchisee shall maintain in force all insurance policies and business licenses required pursuant to this Agreement, through the date of closing.

20. ENFORCEMENT.

20.A. MEDIATION.

The parties will use good faith efforts to resolve any disputes arising under this Agreement prior to initiating any mediation or arbitration proceeding. If the dispute is not solved through such good faith efforts, the parties agree that, prior to the commencement of an arbitration proceeding, except as expressly set forth herein, the parties must first submit any dispute to non-binding mediation. Either party may initiate a mediation process by notifying the other party in writing. The parties agree to conduct the mediation in accordance with the then current Commercial Mediation Procedures of the American Arbitration Association (the "AAA"), except to the extent the rules conflict with this Agreement, in which case this Agreement shall control; however, the mediation need not be administered by the AAA unless the parties cannot agree upon the selection of a mediator within thirty days of the receipt of the written notice of mediation. If the parties cannot reach agreement upon the selection of a mediator, either party may commence a mediation proceeding by making a request for mediation to the AAA regional office closest to Franchisor's (or Franchisor's successor's or assign's, as applicable) then current principal place of business (currently, Coconut Grove, Florida), with a copy to the other party. The written request for

mediation shall describe with specificity the nature of the dispute and the relief sought. Both parties are obligated to engage in the mediation.

The mediation will be conducted by a single mediator with no past or present affiliation or conflict with any party to the mediation. The parties agree that the mediator shall be disqualified as a witness, expert, consultant or attorney in any pending or subsequent proceeding relating to the dispute which is the subject of the mediation. If the parties cannot agree on a mediator and the AAA administers the mediation, the AAA shall provide the parties with a list of mediators willing to serve. The parties will have 10 days from receipt of the list from the AAA to agree upon a mediator from the list. If neither party advises the AAA in writing of an agreement within 10 days of receipt of such list, the AAA shall appoint the mediator. The fees and expenses of the AAA (or other administrator), if applicable, and the mediator's fee, shall be shared equally by the parties. Each party shall bear its own attorneys' fees and other costs incurred in connection with the mediation irrespective of the outcome of the mediation or the mediator's evaluation of each party's case. The mediation shall occur within 30 days after selection of the mediator.

Regardless of which party initiates the mediation, the parties agree to conduct the mediation at a suitable location chosen by the mediator that is within 50 miles of Franchisor's (or Franchisor's successor's or assign's, as applicable) then current principal place of business (currently, Coconut Grove, Florida). At least 7 days before the first scheduled session of the mediation, each party shall deliver to the mediator a concise written summary of its position with respect to the matters in dispute (such as claims or defenses) and such other matters required by the mediator.

The mediation process will be deemed "completed" when the parties agree that it has been completed, the mediator declares that any impasse exists, or 60 days have elapsed since the date of the initiating party's notice to the other party that it is initiating the mediation process, whichever occurs first.

Notwithstanding anything contained in this Section 20.A to the contrary, the obligation for a party to commence mediation hereunder will not apply to any disputes wherein: (i) Franchisor brings an action for an express obligation to pay amounts due hereunder, declaratory relief, preliminary or permanent equitable relief, any action at law for damage to Franchisor's goodwill, the Confidential Information, the Marks or for fraudulent conduct by Franchisee; or (ii) the delay resulting from the mediation process may endanger or adversely affect the public (for example, unhealthy, unsafe or unsanitary conditions would continue to exist). For such disputes, Franchisor may bring an action in any federal or state court having jurisdiction, whether for monetary damages and/or for temporary preliminary and permanent injunctive relief or specific performance in addition to, and not exclusive of, any other remedies available to Franchisor. Franchisee hereby consents to and waives any objection or defense and agrees not to contest venue, forum non conveniens or jurisdiction of such court or arbitration.

20.B. ARBITRATION.

Franchisor and Franchisee agree that all controversies, disputes, or claims which cannot be resolved by mediation under Section 20.A between Franchisor or any of its affiliates, and Franchisor's and their respective shareholders, officers, directors, agents, and employees, on the one hand, and Franchisee (and its owners, guarantors, affiliates, and employees), on the other hand, arising out of or related to: (1) this Agreement or any other agreement between Franchisee (or any of its owners) and Franchisor (or any of its affiliates); (2) Franchisor's relationship with Franchisee; (3) the scope or validity of this Agreement or any other agreement between Franchisee (or any of its owners) and Franchisor (or any of its affiliates) or any provision of any of such agreements (including the validity and scope of the arbitration provision under this Section, which Franchisor and Franchisee acknowledge is to be determined by an arbitrator, not a court); or (4) any System Standard, must be submitted for binding arbitration, on demand of either party, to the AAA. The arbitration proceedings will be conducted by one arbitrator and, except as this Section otherwise

provides, according to the AAA's then-current Commercial Arbitration Rules. All proceedings will be conducted at a suitable location chosen by the arbitrator that is within fifty (50) miles of Franchisor or, as applicable, Franchisor's successor's or assign's then current principal place of business (currently, Coconut Grove, Florida). All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. §§ 1 et seq.). The interim and final awards of the arbitrator shall be final and binding upon each party, and judgment upon the arbitrator's awards may be entered in any court of competent jurisdiction.

Except as set forth herein, the arbitrator has the right to award or include in his or her awards any relief which he or she deems proper, including, without limitation, money damages, pre- and post-award interest, specific performance, and injunctive relief, provided that the arbitrator may not (i) declare any of the trademarks owned by Franchisor or its affiliates generic or otherwise invalid, (ii) award any punitive or exemplary damages against any party to the arbitration proceeding (Franchisor and Franchisee hereby waiving to the fullest extent permitted by law any such right to or claim for any punitive or exemplary damages against any party to the arbitration proceeding), or (iii) award interim costs and attorneys' fees. The fees and expenses of the AAA (or other administrator), if applicable, and the arbitrator's fee, shall be shared equally by the parties. Each party shall bear its own attorneys' fees and other costs incurred in connection with the arbitration irrespective of the outcome of the arbitration or the arbitrator's evaluation of each party's case.

Franchisor and Franchisee agree to be bound by the provisions of any applicable contractual or statutory limitations provision, whichever expires earlier. Franchisor and Franchisee further agree that, in any arbitration proceeding, each party must submit or file any claim which would constitute a compulsory counterclaim (as defined by Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding. Any claim which is not submitted or filed as required will be forever barred. The arbitrator may not consider any settlement discussions or offers that might have been made by either Franchisee or Franchisor.

Franchisor and Franchisee agree that arbitration will be conducted on an individual basis and that an arbitration proceeding between Franchisor and any of its affiliates, or Franchisor's and their respective shareholders, officers, directors, agents, and employees, on the one hand, and Franchisee (or its owners, guarantors, affiliates, and employees), on the other hand, may not be: (i) conducted on a class-wide basis, (ii) commenced, conducted or consolidated with any other arbitration proceeding, (iii) joined with any separate claim of an unaffiliated third-party, or (iv) brought on Franchisee's behalf by any association or agent. Notwithstanding the foregoing, if any court or arbitrator determines that all or any part of the preceding sentence is unenforceable with respect to a dispute, controversy or claim that otherwise would be subject to arbitration under this Section, then all parties agree that this arbitration clause shall not apply to that dispute, controversy or claim and that such dispute, controversy or claim shall be resolved in a judicial proceeding in accordance with the dispute resolution provisions of this Agreement.

Franchisor and Franchisee agree that, in any arbitration arising as described herein, the arbitrator shall have full authority to manage any necessary exchange of information among the parties with a view to achieving an efficient and economical resolution of the dispute. The parties may only serve reasonable requests for documents, which must be limited to documents upon which a party intends to rely or documents that are directly relevant and material to a significant disputed issue in the case or to the case's outcome. The document requests shall be restricted in terms of time frame, subject matter and persons or entities to which the requests pertain and shall not include broad phraseology such as "all documents directly or indirectly related to." Franchisee and Franchisor further agree that no interrogatories or requests to admit shall be propounded, unless the parties later mutually agree to their use.

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

Subject to Section 20.A, any provisions of this Agreement below that pertain to judicial proceedings shall be subject to the agreement to arbitrate contained in this Section.

20.C. SEVERABILITY AND SUBSTITUTION OF VALID PROVISIONS.

Except as expressly provided to the contrary in this Agreement, each section, paragraph, term, and provision of this Agreement is severable, and if any part of this Agreement is held to be invalid or contrary to or in conflict with any applicable present or future law or regulation for any reason (in a final, unappealable ruling issued by any court, agency, or tribunal with competent jurisdiction), that ruling will not impair the operation of, or otherwise affect, any other portions of this Agreement, which will continue to have full force and effect and bind the parties.

If any covenant which restricts competitive activity is deemed unenforceable by virtue of its scope in terms of area, business activity prohibited, and/or length of time, but would be enforceable if modified, Franchisee and Franchisor agree that the covenant will be enforced to the fullest extent permissible under the laws and public policies applied in the jurisdiction whose law determines the covenant's validity.

If any applicable and binding law or rule of any jurisdiction requires more notice of this Agreement's termination than this Agreement requires, or some other action that this Agreement does not require, or any provision of this Agreement or any System Standard is invalid, unenforceable, or unlawful, the notice and/or other action required by the law or rule will be substituted for the comparable provisions of this Agreement, and Franchisor may modify the invalid or unenforceable provision or System Standard to the extent required to be valid and enforceable or delete the unlawful provision in its entirety. Franchisee agrees to be bound by any promise or covenant imposing the maximum duty the law permits which is subsumed within any provision of this Agreement, as though it were separately articulated in and made a part of this Agreement.

20.D. WAIVER OF OBLIGATIONS.

Franchisor and Franchisee may by written instrument unilaterally waive or reduce any obligation of or restriction on the other under this Agreement, effective on delivery of written notice to the other or another effective date stated in the notice of waiver. Any waiver granted will be without prejudice to any other rights Franchisor or Franchisee have, will be subject to continuing review, and may be revoked at any time and for any reason effective on delivery of 10 days' prior written notice.

Franchisor and Franchisee will not waive or impair any right, power, or option this Agreement reserves (including Franchisor's right to demand exact compliance with every term, condition, and covenant or to declare any breach to be a default and to terminate this Agreement before its term expires) because of any custom or practice at variance with this Agreement's terms; Franchisor's or Franchisee's failure, refusal, or neglect to exercise any right under this Agreement or to insist on the other's compliance with this Agreement, including any System Standard; Franchisor's waiver of or failure to exercise any right, power, or option, whether of the same, similar, or different nature, with other Businesses; the existence of franchise agreements for other Businesses which contain provisions different from those contained in this Agreement; or Franchisor's acceptance of any payments due from Franchisee after any breach of this Agreement. No special or restrictive legend or endorsement on any check or similar item given to Franchisor will be a waiver, compromise, settlement, or accord and satisfaction. Franchisor is authorized to remove any legend or endorsement, which then will have no effect.

The following provision applies if Franchisee or the Franchise granted hereby are subject to the franchise registration or disclosure laws in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, Rhode Island, Virginia, Washington, or Wisconsin: No statement, questionnaire, or

acknowledgment signed or agreed to by Franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any Franchisor, any franchise seller, or any other person acting on Franchisor's behalf. This provision supersedes any other term of any document executed in connection with the franchise.

20.E. SPECIFIC PERFORMANCE / INJUNCTIVE RELIEF.

Nothing in this Agreement bars Franchisor's right to obtain specific performance of the provisions of this Agreement and injunctive relief against any threatened or actual conduct that will cause Franchisor, the Marks, or the System loss or damage, under customary equity rules, including applicable rules for obtaining restraining orders and temporary or preliminary injunctions. Franchisee agrees that Franchisor may seek such relief from any court of competent jurisdiction in addition to such further or other relief as may be available to Franchisor at law or in equity. Franchisee agrees that Franchisor will not be required to post a bond to obtain injunctive relief and that Franchisee's only remedy if an injunction is entered against Franchisee will be the dissolution of that injunction, if warranted, upon due hearing (all claims for damages by injunction being expressly waived hereby).

20.F. RIGHTS OF PARTIES ARE CUMULATIVE.

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

20.G. GOVERNING LAW.

Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.), or other United States federal law, this Agreement, the Franchise and all claims arising from the relationship between Franchisor and Franchisee will be governed by the laws of the State of Florida, without regard to its conflict of laws rules, except that (1) any state law regulating the offer or sale of franchises or governing the relationship of a franchisor and its franchisee will not apply unless its jurisdictional requirements are met independently without reference to this Section, and (2) the enforceability of those provisions of this Agreement which relate to restrictions on Franchisee and its owners' competitive activities will be governed by the laws of the state in which Franchisee's RWC Business is located.

20.H. CONSENT TO JURISDICTION.

Subject to parties' mediation and obligation obligations under Section 20.A and Section 20.B above and the provisions below, Franchisee and its owners agree that all actions arising under this Agreement or otherwise as a result of the relationship between Franchisee and Franchisor must be commenced in the court nearest to Franchisor's or, as applicable, Franchisor's successor's or assign's then current principal place of business (currently, Coconut Grove, Florida), and Franchisee (and each owner) irrevocably submit to the jurisdiction of that court and waive any objection Franchisee (or the owner) might have to either the jurisdiction of or venue in that court.

20.I. VARIANCES.

Franchisee acknowledges that Franchisor has and may at different times, in Franchisor's absolute and sole discretion, approve exceptions or changes from the uniform standards of the System, which Franchisor deems desirable or necessary under particular circumstances. Franchisee understands that Franchisee has no right to object to or automatically obtain such variances, and that Franchisor must approve in advance and in writing any exception or change in advance. Franchisee understands that existing franchisees may operate under different forms of agreements and that the rights and obligations of existing Businesses may differ materially from this Agreement.

20.J. LIMITATIONS OF CLAIMS AND CLASS ACTION BAR.

EXCEPT FOR CLAIMS ARISING FROM FRANCHISEE'S NON-PAYMENT OR UNDERPAYMENT OF AMOUNTS FRANCHISEE OWE FRANCHISOR, ANY AND ALL CONTROVERSIES, DISPUTES, AND CLAIMS ARISING OUT OF OR RELATING TO THIS AGREEMENT, ANY OTHER AGREEMENT BETWEEN FRANCHISOR AND FRANCHISEE, OR FRANCHISOR'S RELATIONSHIP WITH FRANCHISEE WILL BE BARRED UNLESS A JUDICIAL PROCEEDING IS COMMENCED IN ACCORDANCE WITH THIS AGREEMENT WITHIN ONE (1) YEAR FROM THE DATE ON WHICH THE PARTY ASSERTING THE CLAIM KNEW OR SHOULD HAVE KNOWN OF THE FACTS GIVING RISE TO THE CLAIMS.

FRANCHISOR AND FRANCHISEE AGREE THAT ANY PROCEEDING WILL BE CONDUCTED ON AN INDIVIDUAL BASIS AND THAT ANY PROCEEDING BETWEEN FRANCHISOR AND ANY OF FRANCHISOR'S AFFILIATES, OR FRANCHISOR'S AND THEIR RESPECTIVE SHAREHOLDERS, OFFICERS, DIRECTORS, AGENTS, AND EMPLOYEES, ON THE ONE HAND, AND FRANCHISEE (OR ITS OWNERS, GUARANTORS, AFFILIATES, AND EMPLOYEES), ON THE OTHER HAND, MAY NOT BE: (I) CONDUCTED ON A CLASS-WIDE BASIS, (II) COMMENCED, CONDUCTED OR CONSOLIDATED WITH ANY OTHER PROCEEDING, (III) JOINED WITH ANY CLAIM OF AN UNAFFILIATED THIRD-PARTY, OR (IV) BROUGHT ON FRANCHISEE'S BEHALF BY ANY ASSOCIATION OR AGENT.

NO PREVIOUS COURSE OF DEALING SHALL BE ADMISSIBLE TO EXPLAIN, MODIFY, OR CONTRADICT THE TERMS OF THIS AGREEMENT. NO IMPLIED COVENANT OF GOOD FAITH AND FAIR DEALING SHALL BE USED TO ALTER THE EXPRESS TERMS OF THIS AGREEMENT.

20.K. WAIVER OF PUNITIVE DAMAGES.

EXCEPT FOR FRANCHISEE'S OBLIGATION TO INDEMNIFY FRANCHISOR FOR THIRD-PARTY CLAIMS UNDER SECTION 12.D, FRANCHISOR AND FRANCHISEE (AND FRANCHISEE'S OWNERS) WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER AND AGREE THAT, IN THE EVENT OF A DISPUTE BETWEEN FRANCHISOR AND FRANCHISEE, THE PARTY MAKING A CLAIM WILL BE LIMITED TO EQUITABLE RELIEF AND TO RECOVERY OF ANY ACTUAL DAMAGES IT SUSTAINS.

20.L. WAIVER OF JURY TRIAL.

FRANCHISOR AND FRANCHISEE IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION OR PROCEEDING, BROUGHT BY EITHER OF FRANCHISOR.

20.M. BINDING EFFECT.

This Agreement is binding on Franchisor and Franchisee and Franchisor's and Franchisee's respective executors, administrators, heirs, beneficiaries, permitted assigns, and successors in interest. Subject to Franchisor's right to modify the Operations Manual and System Standards, this Agreement may not be modified except by a written agreement signed by both Franchisor's and Franchisee's duly authorized officers.

20.N. CONSTRUCTION.

The preambles and attachments are a part of this Agreement which, together with the System Standards contained in the Operations Manual (which may be periodically modified, as provided in this Agreement) and the related documents, constitutes Franchisor's and Franchisee's entire agreement, and there are no other oral or written understandings or agreements between Franchisor and Franchisee, or oral or written representations by Franchisor, relating to the subject matter of this Agreement, the franchise relationship, or Franchisee's RWC Business. Any understandings or agreements reached, or any representations made, before this Agreement are superseded by this Agreement. Nothing in this or in any related agreement, however, is intended to disclaim the representations Franchisor made in the franchise disclosure document that Franchisor furnished to Franchisee.

Any policies that Franchisor adopts and implements from time to time to guide Franchisor in its decision-making are subject to change, are not a part of this Agreement, and are not binding on Franchisor.

Except as expressly provided in this Agreement, nothing in this Agreement is intended or deemed to confer any rights or remedies on any person or legal entity not a party to this Agreement.

Franchisee agrees that whenever this Agreement allows or requires Franchisor to take actions or make decisions, Franchisor may do so in its sole and unfettered discretion, even if Franchisee believes Franchisor's action or decision is unreasonable, unless this Agreement expressly and specifically requires that Franchisor act reasonably or refrain from acting unreasonably in connection with the particular action or decision. The headings of the sections and paragraphs are for convenience only and do not define, limit, or construe the contents of these sections or paragraphs.

References in this Agreement to "Franchisor," with respect to all of Franchisor's rights and all of Franchisee's obligations to Franchisor under this Agreement, include any of its affiliates with whom Franchisee deals. The term "**affiliate**" means any person or entity directly or indirectly owned or controlled by, under common control with, or owning or controlling Franchisee or Franchisor. The term "**control**" means the power to direct or cause the direction of management and policies. The use of the term "**including**" in this Agreement, means in each case "including, without limitation."

If two or more persons are at any time the owners of Franchisee's RWC Business, whether as partners or joint venturers, their obligations, and liabilities to Franchisor will be joint and several. References to "**owner**" means any person holding a direct or indirect ownership interest (whether of record, beneficially, or otherwise) or voting rights in Franchisee (or a transferee of this Agreement and Franchisee's RWC Business or an ownership interest in Franchisee), including any person who has a direct or indirect interest in Franchisee (or a transferee), this Agreement or Franchisee's RWC Business and any person who has any other legal or equitable interest, or the power to vest in himself or herself any legal or equitable interest, in their revenue, profits, rights, or assets.

The term "**Franchisee's RWC Business**" includes all of the assets of Franchisee's RWC Business Franchisee operates under this Agreement, including its revenue and the lease for the Office (if applicable).

20.O. DELEGATION OF PERFORMANCE.

Franchisee agrees that Franchisor has the right to delegate the performance of any portion or all of Franchisor’s obligations under this Agreement to third-party designees, whether these designees are Franchisor’s agents or independent contractors with whom Franchisor has contracted to perform these obligations. If Franchisor does so, such third-party designees will be obligated to perform the delegated functions for Franchisee in compliance with this Agreement.

21. NOTICES AND PAYMENTS.

All written notices, payments and reports permitted or required to be delivered by the provisions of this Agreement or the Operations Manual shall be deemed so delivered upon the earlier of a party’s actual receipt (or refusal to accept receipt, if applicable), or:

- (a) at the time delivered by hand;
- (b) at the time of transmission if delivered by email;
- (c) one (1) business day after being placed in the hands of a nationally recognized commercial courier service for next business day delivery; or
- (d) three (3) business days after placement in the United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid and addressed to the party to be notified at its most current principal business address of which the notifying party has been notified.

Reports required to be delivered shall be delivered by U.S. mail unless otherwise specified herein. The following addresses for the parties shall be used unless and until a different address has been designated by written notice to the other party, except that it will always be deemed acceptable to send notice to Franchisee at the address of Franchisee’s RWC Business:

Notices to Franchisor:

Red Wagon Club Franchise, LLC
2801 Florida Avenue
Suite C
Coconut Grove, Florida 33133

Notices to Franchisee:

ATTN: _____
Facsimile No.: _____
Email Address: _____

22. BUSINESS JUDGMENT.

Franchisor retains the right to operate, develop and change the System and the products and services offered by Businesses in any manner that is not specifically prohibited in this Agreement. Whenever Franchisor has reserved the right in this Agreement to take or refrain from taking any action, or to prohibit Franchisee from taking or refraining from any action, Franchisor may, except as otherwise specifically provided in this Agreement, make Franchisor’s decision or exercise its rights based on the information then readily available to Franchisor and on its judgment of what is in its best interests, the best interests of its

affiliates and/or the best interests of Businesses as a whole at the time the decision is made, regardless of whether Franchisor could have made other reasonable, or even arguably preferable, alternative decisions and regardless of whether its decision or action promotes its interests, those of its affiliates or any other person or entity.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement on the dates noted below, to be effective as of the Effective Date.

FRANCHISOR:
RED WAGON CLUB FRANCHISE, LLC, a
Florida limited liability company

FRANCHISEE:

[Name], a [state/type]

By: _____
Name: _____
Title: _____
Date*: _____
(*This is the Effective Date)

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

ATTACHMENT A
TO FRANCHISE AGREEMENT

1. **Name and Address of Franchisee.**

Name: _____
Attention: _____
Address: _____
Email Address: _____

2. **Form of Owner (check and complete one.**

Individual
 Corporation Limited Liability Company Partnership
State Formed: _____ Date: _____

3. **Owners.** The following identifies the owner that Franchisee has designated as, and that Franchisor approves to be, the Operating Principal and lists the full name of each person who is one of Franchisee's owners (as defined in the Franchise Agreement), or an owner of one of Franchisee's owners, and fully describes the nature of each owner's interest (attach additional pages if necessary).

	<u>Owner's Name</u>	<u>Type / %-age of Interest</u>
Operating Principal:	_____	_____ %
Other Owners:	_____	_____ %
	_____	_____ %

4. **Office Address:** _____

5. **Territory:** (check one):

the area described as follows: _____
_____ ; or

the area shown on the following map:
[insert map]

ATTACHMENT B
TO FRANCHISE AGREEMENT

GUARANTY AND ASSUMPTION OF OBLIGATIONS

THIS GUARANTY AND ASSUMPTION OF OBLIGATIONS is given by each of the undersigned persons indicated below who have executed this Guaranty (each a “**Guarantor**”) to be effective as of the Effective Date of the Agreement (defined below).

In consideration of, and as an inducement to, the execution of that certain Franchise Agreement (as amended, modified, restated or supplemented from time to time, the “**Agreement**”) on this date by **RED WAGON CLUB FRANCHISE, LLC** (“**Franchisor**”), each Guarantor personally and unconditionally (a) guarantees to Franchisor and its successors and assigns, for the term of the Agreement and afterward as provided in the Agreement, that _____ (“**Franchise Owner**”) will punctually pay and perform each and every undertaking, agreement, and covenant set forth in the Agreement and (b) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement, both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities, including the non-competition, confidentiality, and transfer requirements.

Each Guarantor consents and agrees that: (1) Guarantor’s direct and immediate liability under this Guaranty will be joint and several, both with Franchise Owner and among other guarantors; (2) Guarantor will render any payment or performance required under the Agreement upon demand if Franchise Owner fails or refuses punctually to do so; (3) this liability will not be contingent or conditioned upon Franchisor’s pursuit of any remedies against Franchise Owner or any other person; (4) this liability will not be diminished, relieved, or otherwise affected by any extension of time, credit, or other indulgence which Franchisor may from time to time grant to Franchise Owner or to any other person, including, without limitation, the acceptance of any partial payment or performance or the compromise or release of any claims, none of which will in any way modify or amend this Guaranty, which will be continuing and irrevocable during the term of the Agreement; and (5) at Franchisor’s request, each Guarantor shall present updated financial information to Franchisor as reasonably necessary to demonstrate such Guarantor’s ability to satisfy the financial obligations of Franchise Owner under the Agreement.

Each Guarantor waives: (i) all rights to payments and claims for reimbursement or subrogation which any Guarantor may have against Franchise Owner arising as a result of the Guarantor’s execution of and performance under this Guaranty; and (ii) acceptance and notice of acceptance by Franchisor of Guarantor’s undertakings under this Guaranty, notice of demand for payment of any indebtedness or non-performance of any obligations hereby guaranteed, protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed, and any other notices to which he or she may be entitled.

Each Guarantor represents and warrants that, if no signature appears below for such Guarantor’s spouse, such Guarantor is either not married or, if married, is a resident of a state which does not require the consent of both spouses to encumber the assets of a marital estate.

The provisions contained in Section 20 (Enforcement) of the Agreement, including Section 20.A (Mediation), Section 20.B (Arbitration), and Section 20.H (Consent to Jurisdiction) of the Agreement are incorporated into this Guaranty by reference and shall govern this Guaranty and any disputes between the Guarantors and Franchisor. The Guarantors shall reimburse Franchisor for all costs and expenses Franchisor incurs in connection with enforcing the terms of this Guaranty.

By signing below, the undersigned spouse of each Guarantor indicated below, acknowledges and consents to the guaranty given herein by his/her spouse and personally agrees to be bound by the obligations in the Agreement regarding Confidential Information (Section 7) and Competitive Businesses (Sections 8 and 18.E). Such consent also serves to bind the assets of the marital estate to Guarantor's performance of this Guaranty. Franchisor confirms that a spouse who signs this Guaranty solely in his or her capacity as a spouse (and not as an owner) is signing merely for the purposes described above and, as necessary, to bind the assets of the marital estate as described therein and for no other purpose (including, without limitation, to bind the spouse's own separate property).

Each Guarantor that is a business entity, retirement or investment account, or trust acknowledges and agrees that if Franchisee (or any of its affiliates) is delinquent in payment of any amounts guaranteed hereunder, that no dividends or distributions may be made by such Guarantor (or on such Guarantor's account) to its owners, accountholders or beneficiaries or otherwise, for so long as such delinquency exists, subject to applicable law.

[Signature page to follow]

IN WITNESS WHEREOF, each of the undersigned has affixed his or her signature on the same day and year as this Guaranty and Assumption of Obligations was executed.

GUARANTOR(S)	SPOUSE(S)
Name: _____ Sign: _____ Address: _____ _____ _____	Name: _____ Sign: _____ Address: _____ _____ _____
Name: _____ Sign: _____ Address: _____ _____ _____	Name: _____ Sign: _____ Address: _____ _____ _____

ATTACHMENT C

ELECTRONIC FUNDS TRANSFER AUTHORIZATION FORM
ELECTRONIC FUNDS TRANSFER
AUTHORIZATION TO HONOR CHARGES DRAWN BY AND PAYABLE TO

RED WAGON CLUB FRANCHISE, LLC/PAYEE

BANK NAME	ACCOUNT #	ABA#	FEIN
_____	_____	_____	_____

[Affiliate]/PAYEE

BANK NAME	ACCOUNT #	ABA#	FEIN
_____	_____	_____	_____

The undersigned Depositor hereby authorizes the above named Payees (each a “Payee”) to make ACH withdrawals from, and requests the Depository designated below to honor and to charge to, the following designated account (the “Account”). Depositor also authorizes any Payee to initiate direct deposits into the Account in the event a debit entry or ACH withdrawal is made in error. It is agreed that Depository’s rights with respect to each such debit shall be the same as if it were a check drawn and signed by the Depositor. It is further agreed that if any such debit is not honored, whether with or without cause and whether intentionally or inadvertently, Depository shall be under no liability whatsoever. This authorization shall continue in force until Depository and Payees have received at least thirty (30) days’ written notification from Depositor of its termination.

The Depositor agrees with respect to any action taken pursuant to the above authorization:

- (1) To indemnify the Depository and hold it harmless from any loss it may suffer resulting from or in connection with any debit, including, without limitation, execution and issuance of any check, draft or order, whether or not genuine, purporting to be authorized or executed by the Payee and received by the Depository in the regular course of business for the purpose of payment, including any costs or expenses reasonably incurred in connection therewith.
- (2) To indemnify Payee and the Depository for any loss arising in the event that any such debit shall be dishonored, whether with or without cause and whether intentionally or inadvertently.
- (3) To defend at Depositor’s own cost and expense any action which might be brought by a depositor or any other persons because of any actions taken by the Depository or a Payee pursuant to the foregoing request and authorization, or in any manner arising by reason of the Depository’s or a Payee’s participation therein.

Payor/Franchisee Account Information

Name of Depository:

Name of Depositor:

Designated Bank Acct.:

(Please attach one voided check for the above account.)

Business Location:

For information call:

Address:

Phone #:

Fax #:

Name of Franchisee/Depositor (please print):

By:

Signature and Title of Authorized Representative

Date:

EXHIBIT B
SUBLICENSE AGREEMENT

SUBLICENSE AGREEMENT

This Sublicense Agreement (this “**Agreement**”), effective as of _____ (the “**Effective Date**”), is by and between _____, a _____ (“**Franchisee**”), and _____, a _____ (“**Licensee**”) (collectively, the “**Parties**,” or each, individually, a “**Party**”).

RECITALS

WHEREAS, Franchisee and Red Wagon Club Franchise LLC (“**Franchisor**”) are parties to that certain Franchise Agreement dated concurrently herewith (the “**Franchise Agreement**”), pursuant to which Franchisor granted Franchisee the right, and Franchisee undertook the obligation, to develop, own and operate a franchised business (“**Franchisee’s RWC Business**”) identified by, and whose products and services are identified by, the trademark *Red Wagon Club*TM (together with other trademarks and service marks Franchisor designates from time to time, the “**Marks**”), that offer a variety of non-legal social events, estate planning seminars, and membership benefits to clients (“**Members**”);

WHEREAS, Licensee owns and operates a law firm business which provides estate planning services to clients and is located at _____ (“**Licensee’s Law Firm Business**”), and in connection with the operation of Licensee’s Law Firm Business, Licensee wishes to acquire from Franchisee a sublicense to use the Marks and certain of Franchisor’s proprietary materials (the “**Licensed Materials**”) associated with the *Red Wagon Club*TM brand (the “**Brand**”); and

WHEREAS, it is a condition of Franchisor’s grant of the Franchise Agreement to Franchisee and Franchisee’s continued operation of Franchisee’s RWC Business that the Parties enter into this Agreement and deliver a fully executed copy to Franchisor.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants, terms, and conditions set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. **Term.** The term of this Agreement (the “**Term**”) will commence on the Effective Date and, subject to sooner termination as provided herein, shall expire on the termination or expiration of the Franchise Agreement.

2. **License.**

(a) **Grant.** Subject to the terms of this Agreement, Franchisee hereby grants Licensee a limited, non-exclusive, and non-transferrable right and sublicense to use the Marks and Licensed Materials during the Term strictly in connection with the operation of Licensee’s Law Firm Business pursuant to the terms and conditions of this Agreement and for no other purpose. Franchisee shall provide Licensee digital copies or access to the Licensed Materials and Licensee must use the Licensed Materials without modification unless otherwise consented to in writing by Franchisor. Licensee acknowledges and agrees that Franchisor may modify the Marks and Licensed Materials from time to time in its sole discretion. Franchisee will notify Licensee in writing of such changes to the Marks and Licensed Materials that Franchisee receives from Franchisor, and immediately upon Licensee’s receipt of such notice, Licensee will implement the required changes in accordance with the terms of this Agreement.

(b) **No Right to Sublicense.** The rights and license granted to Licensee herein do not confer to Licensee the right to grant to others the right or license to use, exploit, lease or sell the Marks or Licensed Materials.

(c) Ownership. Licensee acknowledges and agrees that all rights in and to the Marks and Licensed Materials including, without limitation, the goodwill, derivative works, and innovations associated with the Marks and/or Licensed Materials, are exclusively owned by Franchisor. All use by Licensee of the Marks and Licensed Materials shall inure to the sole benefit of and be on behalf of Licensor. Licensee further acknowledges and agrees that upon the termination of this Agreement, all of Licensee's rights to the Marks and Licensed Materials shall immediately cease, and Licensee shall have no interest in or right to use any of the Marks or Licensed Materials, Licensee will not in any manner represent that it owns any component of the Marks or Licensed Materials. Licensee shall execute and deliver to Franchisor an assignment of all rights Licensee might have created in any work, trademark, or other intellectual property right using or including the Marks and/or Licensed Materials together with any goodwill associated therewith. Notwithstanding the foregoing, Licensee will retain the goodwill in Licensee's Law Firm Business apart from the goodwill associated with the use of the Marks and Licensed Materials.

(d) Challenges. Licensee acknowledges and agrees that Licensee will not at any time do, or cause to be done, any act or thing to contest, oppose, seek to invalidate or in any way impair or intend to impair the validity or enforceability of any applications, registrations, or rights in or for the Marks or Licensed Materials or any of Licensor's exclusive right, title and interest in the Marks or Licensed Materials.

(e) Infringement. During the Term, Licensee shall promptly notify Franchisee in writing of any suspected or actual infringement of the Marks and/or Licensed Materials as may come to Licensee's attention. In such event, Franchisor has the right, but not the duty, to take any legal action or other measures to protect the Marks and/or Licensed Materials against such infringement. Licensee shall cooperate with Franchisor in any such actions or measures at Franchisor's request and sole expense. In any action brought by Franchisor: (a) Franchisor shall retain full control thereof, including the settlement or other disposition of the action; and (b) any recovery shall be solely for the account of Franchisor.

3. Operations Manual. Licensee acknowledges and agrees that Franchisee has provided, or will make available, to Licensee access to Franchisor's manual for the operation of franchised Red Wagon Club™ businesses (as modified, amended, and revised by the Franchisor, the "**Operations Manual**"). For purposes of this Agreement, the Operations Manual is considered part of Franchisor's Confidential Information (as defined in Section 6), and thus, it must protect the Operations Manual from improper use and disclosure as described in Section 6 herein.

4. Licensee's Obligations.

(a) Advertising. In consideration for the license to use the Marks and Licensed Materials, and for the benefit of Franchisee's RWC Business, Licensee agrees to spend a minimum of \$10,000 on local advertising during each calendar month of the Term (the "**Local Advertising Requirement**") to promote Franchisee's RWC Business and/or Licensee's Law Firm Business. All advertising materials relating to Franchisee's RWC Business or otherwise containing or making reference to the Licensed Materials or the Brand must be approved in writing by Franchisor before being used.

(b) Insurance. Throughout the Term, Licensee must carry commercially reasonable professional liability insurance for the Licensee's Law Firm Business. Licensee must also, at its expense, comply with any other insurance coverages requirements set forth in Franchisor's Operations Manual from time to time. Franchisor's insurance requirements represent only the

minimum coverage that Franchisor deems acceptable to protect its interests and are not representations or warranties of any kind that such coverage is sufficient to comply with applicable law or protect Licensee's interests or those of Licensee's Law Firm Business. It is Licensee's sole responsibility to make that determination and to acquire any additional coverages it believes are necessary to protect those interests, based on its own independent investigation.

(c) Training. Franchisor may require Licensee and certain of its employees to attend various ongoing training events, participate in online sessions, view training videos, and/or attend regional training or training at another event such as an annual meeting or convention, at the times and locations designated by Franchisor, including courses and programs provided by third parties Franchisor designates. Licensee agrees to attend and complete any such training, and in connection therewith, Licensee will be responsible for all costs associated with attending such programs, courses, events, or meetings.

(d) Records and Reports. Licensee will, upon Licensor's request, provide to Licensee such periodic financial statements, statistical reports, and other information Licensor requests regarding Licensee's Law Firm Business. Licensee acknowledges and agrees that Licensor will, at Franchisor's request, provide such records and reports to Franchisor, provided that Franchisor agrees to keep such records and reports confidential.

5. Compliance with Laws. Licensee understands and acknowledges that the Licensed Materials do not constitute legal advice or opinion of Franchisor or Franchisee. In using any of the Licensed Materials in connection with the operation of Licensee's Law Firm Business, Licensee is solely responsible for ensuring that such Licensed Materials comply with applicable law. Licensee shall comply with all applicable laws, regulations, ethics codes and standards, and bar association rules in operating Licensee's Law Firm Business and in exercising its rights and performing its obligations under this Agreement.

6. Confidentiality.

(a) Confidential Information. Licensee acknowledges and agrees that Licensee will have access to information, documents, trade secrets, know-how, business plans, and other materials, whether disclosed or stored in written, electronic, oral, visual or other form or media from or about Franchisor, its affiliates, and its representatives and/or the Brand, including: (i) the Licensed Materials, (ii) any information about any of Franchisor's franchisees or licensees, (iii) any information relating to Franchisee's relationship with the Franchisor and the Brand, and (iv) any other information exchanged by or on behalf of the Parties pursuant to this Agreement, regardless of whether such information is marked as confidential or proprietary (collectively, the "**Confidential Information**"). The term "**Confidential Information**" does not include information that: (i) at the time of disclosure or thereafter is generally available to and known by the public (other than as a result of its disclosure directly or indirectly by Licensee or its representatives in violation of this Agreement or by Franchisee or its representatives in violation of the Franchise Agreement); and/or (ii) was available to Licensee or its representatives from a source other than Franchisee, Franchisor, or their respective representatives, provided that such source is not and was not bound by a confidentiality agreement in favor of Licensee, Franchisor, or their respective affiliates.

(b) Obligations of Confidentiality. Licensee must keep the Confidential Information confidential at all times before, during and after the Term, subject to the terms hereof. Licensee must use the Confidential Information for no purpose other than to execute this Agreement, exercise Licensee's rights or perform its obligations under this Agreement, unless otherwise required under

the order of a competent judicial authority. Licensee may disclose Confidential Information only to Licensee's officers or employees who have a need to know such Confidential Information to perform the duties contemplated by this Agreement. If any person to whom Confidential Information was disclosed pursuant to the preceding paragraph breaches his or her obligation of confidentiality, Licensee shall be jointly and severally liable for damages arising from such breach.

(c) Return or Destruction. Upon the expiration or earlier termination of this Agreement, Licensee must promptly return all Confidential Information related to Franchisor to Franchisee or certify in writing that such Confidential Information has been destroyed. Notwithstanding the foregoing (i) Licensee may maintain copies of Confidential Information as may be required under the applicable law, and (ii) as necessary to enforce Licensee's rights under this Agreement. For any Confidential Information lawfully retained by Licensee, the terms and conditions in this Agreement applicable to the use of such Confidential Information will continue to apply to such Confidential Information from and after the expiration or termination of this Agreement for so long as Licensee has access to such Confidential Information.

7. Representations.

(a) Mutual Representations. Each Party represents and warrants to the other Party that, as of the Effective Date: (i) it is duly organized, validly existing, and in good standing under the laws of the state or jurisdiction of its organization; (ii) it has the full right, power, and authority to enter into this Agreement and to perform its obligations hereunder; (iii) the execution of this Agreement by its representative whose signature is set forth at the end hereof has been duly authorized by all necessary organizational action of such Party; and (iv) when executed and delivered by such Party, this Agreement will constitute the legal, valid, and binding obligation of that Party, enforceable against that Party in accordance with its terms.

(b) Licensee Representations. Licensee represents and warrants that each of Licensee's owners and employed attorneys, as of the Effective Date and throughout the Term, are and will be duly authorized to practice law in good standing in the jurisdiction in which Licensee's Law Firm Business is located.

8. Covenants.

(a) Non-Competition. During the Term and for a period of 24 months after the expiration or termination of this Agreement, neither Licensee, its affiliates, nor any owner nor any member of the immediate family of Licensee or any owner, shall directly or indirectly:

(i) have any interest as a disclosed or beneficial owner in any Competitive Business;

(ii) perform services as a director, officer, manager, employee, consultant, lessor, representative, agent, or otherwise for any Competitive Business; or

(iii) divert or attempt to divert any business or any customers of any Businesses to any Competitive Business.

A "**Competitive Business**" means (1) any membership-based business that is affiliated with a law firm that provides non-legal services to clients or members (including, but not limited to, training, social events, and seminars); or (2) any businesses granting

franchises or licenses to others to operate the type of businesses specified in subparagraph (1).

(b) Non-Disparagement. During and after the Term, Licensee agrees not to, and to cause Licensee's current and former owners, officers, directors, employees, representatives, affiliates, successors, assigns not to disparage or otherwise speak or write negatively, directly or indirectly, of Franchisee, Franchisor, the Brand, Franchisor's franchisees and licensees, and each of the foregoing entity's owners, directors, managers, officers, employees, or representatives, or take any other action which would, directly or indirectly, subject any of the foregoing to defame, ridicule, scandal, reproach, scorn, or indignity, or which would negatively impact or injure the goodwill of the foregoing.

(c) Non-Interference. During and for a period of 12 months after the Term, Licensee agrees not to, and to cause each of Licensee's current and former owners, officers, directors, principals, agents, partners, employees, representatives, affiliates, successors or assigns not to interfere or attempt to interfere with Franchisor's or its affiliates' relationship with any of its franchisees, licensees, lenders, vendors, consultants, or clients.

9. Indemnification. Licensee agrees to indemnify, defend and hold harmless Franchisee, Franchisor, and each of the foregoing entity's respective owners, officers, directors, members, partners, employees, agents, affiliates, successors, permitted assigns, and franchisees (collectively, the "**Indemnified Parties**") from: (i) all claims arising from Licensee's violation of or failure to observe or perform any condition, provision, or agreement of this Agreement, (ii) all claims arising from or in connection with the acts or omissions by Licensee or its employees, contractors or agents, or any third-party Licensee has engaged to provide services in connection with the operation of Licensee's Law Firm Business, including, without limitation, any claims regarding malpractice and/or misuse of the Licensed Materials, and (iii) all claims relating to taxes, tax filings, and/or any other regulatory compliance. The indemnity obligations outlined herein shall survive any cancellation, expiration, or termination of this Agreement. For purposes of this indemnification, "claims" include all obligations, damages, and costs that any Indemnified Party reasonably incurs in defending any claim against it, including reasonable accountants', arbitrators', attorneys', and expert witness fees, bailiff's fees, costs of investigation and proof of facts, court costs, travel and living expenses, and other expenses of litigation, arbitration, or alternative dispute resolution. Each Indemnified Party may defend any claim against it at Licensee's expense and agree to settlements or take any other remedial, corrective, or other actions. An Indemnified Party need not seek recovery from any insurer or other third parties, or otherwise mitigate its losses and expenses, in order to maintain and recover fully a claim for indemnity under this Section. Licensee agrees that a failure to pursue a recovery or mitigate a loss will not reduce or alter the amounts that an Indemnified Party may recover under this Section. An Indemnified Party may use control the defense and settlement of any claims against it in its sole discretion, including choice of its own legal counsel.

10. Termination.

(a) Termination Upon Default. The non-defaulting Party shall have the right to terminate this Agreement (without any prior notice or prior authorization from the judicial court or arbitral tribunal) and pursue any other remedies available at law or in equity, except as limited herein, if the other Party: (i) defaults in the performance of any of its obligations under this Agreement and such default continues for more than 30 days after receipt of written notice from the non-defaulting Party; (ii) becomes insolvent or unable to pay its debts generally as they become due, files any voluntary petition in bankruptcy or for corporate reorganization or similar relief, is dissolved or liquidated or takes action for such, any petition shall be filed against such Party under

any bankruptcy or insolvency law, and such petition shall not have been dismissed within 30 days, or any order appointing a receiver, trustee, or liquidator of the business of such Party is not vacated within 30 days; or (iii) violates any applicable law relating to transactions with foreign parties or international terrorist activities, or such Party's assets, property, or interests are blocked under any such applicable law. The Parties acknowledge and agree that a copy of notice required to be given by a Party hereunder shall be delivered to Franchisor concurrently with such Party's delivery of the notice to the other Party.

(b) Other Termination. This Agreement shall terminate effective on written notice to Licensee, if:

(i) Licensee fails to continuously maintain the insurance coverages required under this Agreement;

(ii) Any of Licensee's owners and employees are the subject of bar association disciplinary inquiries, investigations, or sanctions, or otherwise fail to maintain in good standing their license to practice law in the jurisdiction in which Licensee's Law Firm Business is located;

(iii) Licensee (or its owner(s)) makes or attempts to make any transfer in violation of this Agreement;

(iv) Licensee (or any of its owner(s)) is or has been convicted by a trial court of, or pleaded guilty or no contest to, a felony;

(v) Licensee (or any of its owner(s)) engages in any dishonest or unethical conduct which, in Franchisor's opinion, adversely affects the Brand's reputation or the goodwill associated with the Marks;

(vi) Licensee (or any of its owner(s)) knowingly makes any unauthorized use or disclosure of any Licensed Materials or Confidential Information;

(vii) Licensee violates any applicable law, regulation, ordinance or consent decree, or fails to maintain any bond, license or permit, and does not cure such violation or failure within five (5) days after Franchisee, Franchisor or any applicable government or regulatory agency delivers notice to Licensee of that violation or failure;

(viii) Licensee fails to pay when due any federal or state income, service, sales, or other taxes due on Licensee's Law Firm Business operation, unless Licensee is in good faith contesting its liability for these taxes;

(ix) Licensee (a) fails on three (3) or more separate occasions within any 12 consecutive month period to comply with this Agreement, whether or not Franchisee or Franchisor notifies Licensee of the failures, and whether or not Licensee corrects the failures after delivery of notice to Licensee; or (b) fails on two (2) or more separate occasions within any 12 consecutive month period to comply with the same obligation under this Agreement, whether or not Franchisee or Franchisor notifies Licensee of the failures, and whether or not Licensee corrects the failures after delivery of notice to Licensee;

(x) Licensee (or any of its owner(s)) makes an assignment for the benefit of creditors or admit in writing Licensee's insolvency or inability to pay its debts generally as they become due; Licensee consents to the appointment of a receiver, trustee, or liquidator of all or the substantial part of Licensee's property; Licensee's Law Firm Business is attached, seized, subjected to a writ or distress warrant, or levied on, unless the attachment, seizure, writ, warrant, or levy is vacated within 30 days; or any order appointing a receiver, trustee, or liquidator of Licensee or Licensee's Law Firm Business is not vacated within 30 days following the order's entry;

(xi) any of Licensee's or its owners' assets, property, or interests are blocked under any law, ordinance, or regulation relating to terrorist activities, or Licensee or any of its employees otherwise violate any such law, ordinance, or regulation;

(xii) Licensee fails to pay when due any third-party supplier or taxing authority and does not cure such failure within the applicable cure period;

(xiii) Franchisee (or any of its owners) fails to comply with any other provision of this Agreement or any System Standard and does not correct the failure within 30 days after Franchisor delivers written notice of the failure to Franchisee.

(c) Effect of Expiration or Termination. Upon the expiration or termination of this Agreement, all Licensee's rights under this Agreement shall immediately terminate, and Licensee must : (i) cease using any Licensed Materials; (ii) remove any and all references to the Marks, the Brand, or the Licensed Materials used in connection with Licensee's Law Firm Business, and (ii) comply with all other reasonable instructions Franchisee or Franchisor gives Licensee.

11. Assignment. This Agreement is personal to Licensee and shall not be assigned except in accordance with this Agreement and with Franchisee's and Franchisor's prior written consent, which may be withheld in the sole discretion of Franchisee and/or Franchisor. For the purpose of this Agreement, any transfer of stock or ownership interests or other voting or beneficial control of Licensee, including by merger or reorganization, and/or any sale of all or substantially all of Licensee's assets, will be deemed an assignment of this Agreement. Franchisee may not assign this Agreement except in connection with an assignment of the Franchise Agreement for which Franchisee has consent from Franchisor.

12. Dispute Resolution. Any disputes arising under this Agreement shall be subject to and resolved in accordance with the dispute resolution provisions of the Franchise Agreement, which provisions are incorporated herein as though copied in their entirety.

13. Miscellaneous.

(a) Acknowledgments. Licensee acknowledges and agrees that Franchisor has made no representation or warranty of any kind, whether express, implied, statutory, or otherwise, concerning the Marks or the Licensed Materials including the usefulness for any purpose of the Marks or the Licensed Materials or any implied warranties of merchantability, quality, fitness for a particular purpose. Franchisee and Licensee acknowledge and agree that Franchisee is not a law firm and is not authorized to practice law. Franchisee may not direct Licensee's representation of Licensee's legal clients, and Licensee maintains its independent authority to provide legal advice in the best interest of its clients.

(b) Independent Contractors. The relationship between the Parties is that of independent contractors. Nothing contained in this Agreement creates any agency, partnership, joint venture, or other form of joint enterprise, employment, or fiduciary relationship between the Parties, and neither Party has authority to contract for or bind the other Party in any manner whatsoever.

(c) Notices. All written notices, payments and reports permitted or required to be delivered by the provisions of this Agreement shall be deemed so delivered upon the earlier of a party's actual receipt (or refusal to accept receipt, if applicable), or:

- (i) at the time delivered by hand;
- (ii) at the time of transmission if delivered by email;
- (iii) one (1) business day after being placed in the hands of a nationally recognized commercial courier service for next business day delivery; or
- (iv) three (3) business days after placement in the United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid and addressed to the party to be notified at its most current principal business address of which the notifying party has been notified.

The following addresses for the parties shall be used unless and until a different address has been designated by written notice to the other party, except that it will always be deemed acceptable to send notice (i) to Franchisee at the address of Franchisee's RWC Business, and (ii) to Licensee at the address of Licensee's Law Firm Business:

Notices to Franchisee:

ATTN: _____
Facsimile No.: _____
Email Address: _____

Notices to Licensee:

ATTN: _____
Facsimile No.: _____
Email Address: _____

Notices to Franchisor:

Red Wagon Club Franchise, LLC
2801 Florida Avenue
Suite C
Coconut Grove, Florida 33133

(d) Construction. The preambles and attachments are a part of this Agreement which, together with the related documents, constitutes the Parties' entire agreement, and there are no other oral or written understandings or agreements between the Parties, or oral or written representations

by the Parties or Franchisor, relating to the subject matter of this Agreement, Franchisee's RWC Business, or Licensee's Law Firm Business. Any understandings or agreements reached, or any representations made, before this Agreement are superseded by this Agreement.

Any policies that Franchisor adopts and implements from time to time to guide Franchisor in its decision-making are subject to change, are not a part of this Agreement, and are not binding on Franchisor.

Except as expressly provided in this Agreement, including Section 13.(g), nothing in this Agreement is intended or deemed to confer any rights or remedies on any person or legal entity not a party to this Agreement.

References in this Agreement to "Franchisor," with respect to all of Franchisor's rights and all of the Parties' obligations to Franchisor under this Agreement, include any of its affiliates with whom the Parties deal. The term "affiliate" means any person or entity directly or indirectly owned or controlled by, under common control with, or owning or controlling Franchisee or Franchisor. The term "control" means the power to direct or cause the direction of management and policies. The use of the term "including" in this Agreement, means in each case "including, without limitation."

(e) Third-Party Beneficiary. Franchisor and its affiliates shall (and shall be deemed to) constitute third-party beneficiaries of this Agreement and, as a result thereof, shall have all rights (but not the obligation) to enforce the same.

(f) Amendment; Waiver. The Parties acknowledge and agree that this Agreement may not be terminated, modified or amended without Franchisor's prior written consent, which may be withheld in Franchisor's sole discretion. No amendment to this Agreement will be effective unless it is in writing and signed by both Parties and acknowledged in writing by Franchisor. No waiver by any Party of any of the provisions hereof will be effective unless explicitly set forth in writing and signed by the waiving Party. Except as otherwise set forth in this Agreement, no failure to exercise, or delay in exercising, any rights, remedy, power, or privilege arising from this Agreement will operate or be construed as a waiver thereof; nor will any single or partial exercise of any right, remedy, power, or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power, or privilege.

(g) Severability. If any term or provision of this Agreement is invalid, illegal, or unenforceable in any jurisdiction, such invalidity, illegality, or unenforceability will not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction.

(h) Governing Law; Consent to Jurisdiction. Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.), or other United States federal law, this Agreement and all claims arising from the relationship between Franchisee and Licensee will be governed by the laws of the State of Florida, without regard to its conflict of laws rules, except that the enforceability of those provisions of this Agreement which relate to restrictions on Licensee's competitive activities will be governed by the laws of the state in which Licensee's Law Firm Business is located.

(i) Equitable Relief. Each Party acknowledges that a breach by the other Party of this Agreement may cause the non-breaching Party irreparable harm, for which an award of damages

would not be adequate compensation and, in the event of such a breach or threatened breach, the non-breaching Party will be entitled to seek equitable relief, including in the form of a restraining order, orders for preliminary or permanent injunction, specific performance, and any other relief that may be available from any court, and the Parties hereby waive any requirement for the securing or posting of any bond or the showing of actual monetary damages in connection with such relief. These remedies are not exclusive but are in addition to all other remedies available under this Agreement at law or in equity, subject to any express exclusions or limitations in this Agreement to the contrary.

(j) Counterparts. The Parties represent and agree that the undersigned signatories have full power and authority to enter into this Agreement and to make binding decisions on behalf of the Parties they represent. This Agreement may be executed by the Parties hereto in separate counterparts, and all such counterparts shall together constitute but one and the same instrument. This Agreement may be executed by electronic means.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

[FRANCHISEE]

By _____
Name:
Title:

[LICENSEE]

By _____
Name:
Title:

EXHIBIT C

STATE ADMINISTRATORS/AGENTS FOR SERVICE OF PROCESS

EXHIBIT C

STATE ADMINISTRATORS/AGENTS FOR SERVICE OF PROCESS

Listed here are the names, addresses and telephone numbers of the state agencies having responsibility for the franchising disclosure/registration laws. We may not yet be registered to sell franchises in any or all of these states. There may be states in addition to those listed below in which we have appointed an agent for service of process. There may also be additional agents appointed in some of the states listed.

CALIFORNIA

Department of Financial Protection & Innovation:

Toll Free: 1 (866) 275-2677

Los Angeles

Suite 750
320 West 4th Street
Los Angeles, California 90013
(213) 576-7505

Sacramento

2101 Arena Blvd.
Sacramento, California 95834
(916) 445-7205

San Diego

1455 Frazee Road, Suite 315
San Diego, California 92108
(619) 610-2093

San Francisco

One Sansome Street, Suite 600
San Francisco, California 94104
(415) 972-8559

FLORIDA

(agent for service of process)

KEW LEGAL, P.A.
16690 Collins Avenue
Suite 1101
Sunny Isles Beach, Florida 33160

HAWAII

(state administrator)

Business Registration Division
Securities Compliance Branch
Department of Commerce
and Consumer Affairs
P.O. Box 40
Honolulu, Hawaii 96810
(808) 586-2722

ILLINOIS

Franchise Bureau
Office of the Attorney General
500 South Second Street
Springfield, Illinois 62706
(217) 782-4465

INDIANA

(state administrator)

Indiana Secretary of State
Securities Division, E-111
302 West Washington Street
Indianapolis, Indiana 46204
(317) 232-6681

MICHIGAN

(state administrator)

Michigan Attorney General’s Office
Consumer Protection Division
Attn: Franchise Section
G. Mennen Williams Building, 1st Floor
525 West Ottawa Street
Lansing, Michigan 48909
(517) 373-7117

(agent for service of process)

Michigan Department of Commerce,
Corporations and Securities Bureau
P.O. Box 30054
6546 Mercantile Way
Lansing, Michigan 48909

MARYLAND

(state administrator)

Office of the Attorney General
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202-2021
(410) 576-6360

MINNESOTA

(state administrator)

Minnesota Department of Commerce
85 7th Place East, Suite 280
St. Paul, Minnesota 55101
(651) 539-1600

NEW YORK

(state administrator)

NYS Department of Law
Investor Protection Bureau
28 Liberty Street, 21st Floor
New York, NY 10005
(212) 416-8236 Phone
(212) 416-6042 Fax

NORTH DAKOTA

(state administrator)

North Dakota Securities Department
600 East Boulevard Avenue
State Capitol - Fourteenth Floor - Dept 414
Bismarck, North Dakota 58505-0510
(701) 328-4712

OREGON

Department of Business Services
Division of Finance & Corporate Securities
350 Winter Street, NE, Room 410
Salem, Oregon 97310-3881
(503) 378-4387

RHODE ISLAND

Department of Business Regulation
Division of Securities
John O. Pastore Complex
Building 69-1
1511 Pontiac Avenue
Cranston, Rhode Island 02920
(401) 462-9645

SOUTH DAKOTA

Division of Insurance
Securities Regulation
124 S. Euclid, Suite 104
Pierre, South Dakota 57501
(605) 773-3563

VIRGINIA

(state administrator)

State Corporation Commission
Division of Securities
and Retail Franchising
1300 East Main Street, Ninth Floor
Richmond, Virginia 23219
(804) 371-9051

WASHINGTON

(state administrator)

Department of Financial Institutions
Securities Division
P.O. Box 41200
Olympia, Washington 98504-1200
(360) 902-8760

WISCONSIN

(state administrator)

Securities and Franchise Registration
Wisconsin Department of Financial Institutions
4022 Madison Yards Way, North Tower
Madison, Wisconsin 53705
(608) 266-1064

(agent for service of process)

Office of the Secretary
Wisconsin Department of Financial Institutions
P.O. Box 8861
Madison, Wisconsin 53708-8861
(608) 261-9555

EXHIBIT D
FINANCIAL STATEMENTS

Red Wagon Club Franchise LLC

Balance Sheet

As of July 16, 2024

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	
City National Bank	90,000.00
Total Bank Accounts	\$90,000.00
Total Current Assets	\$90,000.00
TOTAL ASSETS	\$90,000.00
LIABILITIES AND EQUITY	
Total Liabilities	
Equity	
Capital Contribution	
David Carrier	45,000.00
RJon Robins	45,000.00
Total Capital Contribution	90,000.00
Retained Earnings	
Net Income	
Total Equity	\$90,000.00
TOTAL LIABILITIES AND EQUITY	\$90,000.00

These Financial Statements Have Been Prepared Without An Audit. Prospective Franchisees Or Sellers of Franchises Should Be Advised That No Independent Certified Public Accountant Has Audited These Figures Or Expressed An Opinion with Regard to their Content Or Form.

EXHIBIT E

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Red Wagon Club Franchise Operations Manual

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SAMPLE GENERAL RELEASE

RED WAGON CLUB FRANCHISE, LLC

GRANT OF FRANCHISOR CONSENT AND FRANCHISEE RELEASE

RED WAGON CLUB FRANCHISE, LLC (“we,” “us,” or “our”) and the undersigned franchisee, _____ (“you” or “your”), currently are parties to a certain Franchise Agreement (the “Franchise Agreement”) dated _____, 20____. You have asked us to take the following action or to agree to the following request: _____

_____. We have the right under the Franchise Agreement to obtain a general release from you and your owners as a condition of taking this action or agreeing to this request. Therefore, we are willing to take the action or agree to the request specified above if you and your owners give us the release and covenant not to sue provided below in this document. You and your owners are willing to give us the release and covenant not to sue provided below as partial consideration for our willingness to take the action or agree to the request described above.

Consistent with the previous introduction, you, on your own behalf and on behalf of your successors, heirs, executors, administrators, personal representatives, agents, assigns, partners, owners, managers, directors, officers, principals, employees, and affiliated entities (collectively, the “Releasing Parties”), hereby forever release and discharge us and our current and former officers, directors, owners, managers, principals, employees, agents, representatives, current or former affiliated entities, successors, and assigns (collectively, the “Released Parties”) of and from any and all claims, damages whether at law or in equity and known or unknown, demands, causes of action, suits, duties, liabilities, and agreements of any nature and kind (collectively, “Claims”) that you and any of the other Releasing Parties now has, ever had, or, but for this document, hereafter would or could have against any of the Released Parties, including without limitation, any and all Claims in any way (1) arising out of or related to the Released Parties’ obligations under the Franchise Agreement, or (2) otherwise arising out of or related to your and the other Releasing Parties’ relationship, from the beginning of time to the date of your signature below, with any of the Released Parties. You, on your own behalf and on behalf of the other Releasing Parties, further covenant not to sue any of the Released Parties on any of the Claims released by this paragraph and represent that you have not assigned any of the Claims released by this paragraph to any individual or entity who is not bound by this paragraph.

IF THE FRANCHISE YOU OPERATE UNDER THE FRANCHISE AGREEMENT IS LOCATED IN CALIFORNIA OR ANY OF THE RELEASING PARTIES IS A RESIDENT OF CALIFORNIA, THE FOLLOWING SHALL APPLY:

SECTION 1542 ACKNOWLEDGMENT. IT IS YOUR INTENTION, ON YOUR OWN BEHALF AND ON BEHALF OF THE RELEASING PARTIES, IN EXECUTING THIS RELEASE THAT THIS INSTRUMENT BE AND IS A GENERAL RELEASE WHICH SHALL BE EFFECTIVE AS A BAR TO EACH AND EVERY CLAIM, DEMAND, OR CAUSE OF ACTION RELEASED BY YOU OR THE RELEASING PARTIES. YOU RECOGNIZE THAT YOU OR THE RELEASING PARTIES MAY HAVE SOME CLAIM, DEMAND, OR CAUSE OF ACTION AGAINST THE RELEASED PARTIES OF WHICH YOU, HE, SHE, OR IT IS TOTALLY UNAWARE AND UNSUSPECTING, WHICH YOU, HE, SHE, OR IT IS GIVING UP BY EXECUTING THIS RELEASE. IT IS YOUR INTENTION,

ON YOUR OWN BEHALF AND ON BEHALF OF THE RELEASING PARTIES, IN EXECUTING THIS INSTRUMENT THAT IT WILL DEPRIVE YOU, HIM, HER, OR IT OF EACH SUCH CLAIM, DEMAND, OR CAUSE OF ACTION AND PREVENT YOU, HIM, HER, OR IT FROM ASSERTING IT AGAINST THE RELEASED PARTIES. IN FURTHERANCE OF THIS INTENTION, YOU, ON YOUR OWN BEHALF AND ON BEHALF OF THE RELEASING PARTIES, EXPRESSLY WAIVE ANY RIGHTS OR BENEFITS CONFERRED BY THE PROVISIONS OF SECTION 1542 OF THE CALIFORNIA CIVIL CODE, WHICH PROVIDES AS FOLLOWS:

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

YOU ACKNOWLEDGE AND REPRESENT THAT YOU HAVE CONSULTED WITH LEGAL COUNSEL BEFORE EXECUTING THIS RELEASE AND THAT YOU UNDERSTAND ITS MEANING, INCLUDING THE EFFECT OF SECTION 1542 OF THE CALIFORNIA CIVIL CODE, AND EXPRESSLY CONSENT THAT THIS RELEASE SHALL BE GIVEN FULL FORCE AND EFFECT ACCORDING TO EACH AND ALL OF ITS EXPRESS TERMS AND PROVISIONS, INCLUDING, WITHOUT LIMITATION, THOSE RELATING TO THE RELEASE OF UNKNOWN AND UNSUSPECTED CLAIMS, DEMANDS, AND CAUSES OF ACTION.

If the franchise you operate under the Franchise Agreement is located in Washington or if any of the Releasing Parties is a resident of Washington, the following shall apply:

Any general release provided for hereunder shall not apply to any liability under the Washington Franchise Investment Protection Act RCW 19.100, and the rules adopted thereunder.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed and delivered this release on the date stated on the first page hereof.

RED WAGON CLUB FRANCHISE, LLC

Print Name: _____

Title: _____

By: _____

Date: _____

FRANCHISEE

Print Name: _____

Title: _____

By: _____

Date: _____

FRANCHISEE OWNER

Print Name: _____

Title: _____

By: _____

Date: _____

Print Name: _____

Title: _____

By: _____

Date: _____

EXHIBIT G
FRANCHISEE LISTS

LIST OF CURRENT FRANCHISEES AS OF MAY 31, 2024

None.

**LIST OF FRANCHISE AGREEMENTS SIGNED BUT BUSINESSES NOT YET OPEN AS OF
MAY 31, 2024**

None.

EXHIBIT H

REPRESENTATIONS AND ACKNOWLEDGMENT STATEMENT

REPRESENTATIONS AND ACKNOWLEDGMENT STATEMENT

DO NOT SIGN OR INITIAL THIS QUESTIONNAIRE AND ACKNOWLEDGMENT FORM IF YOU ARE A RESIDENT OF OR YOUR BUSINESS WILL BE LOCATED IN, OR THE FRANCHISE GRANTED IS SUBJECT TO THE FRANCHISE REGISTRATION AND DISCLOSURE LAWS IN: CALIFORNIA, HAWAII, ILLINOIS, INDIANA, MARYLAND, MICHIGAN, MINNESOTA, NEW YORK, NORTH DAKOTA, RHODE ISLAND, SOUTH DAKOTA, VIRGINIA, WASHINGTON, OR WISCONSIN.

The purpose of this Statement is to demonstrate to Red Wagon Club Franchise, LLC (“Franchisor”) that the person(s) signing below (“I,” “me” or “my”), whether acting individually or on behalf of any legal entity established to acquire the franchise rights, (a) fully understands that the purchase of a Red Wagon Club franchise is a significant long-term commitment, complete with its associated risks, and (b) is not relying on any statements, representations, promises or assurances that are not specifically set forth in Franchisor’s Franchise Disclosure Document and Exhibits (collectively, the “FDD”) in deciding to purchase the franchise.

In that regard, I represent to Franchisor and acknowledge that:

<p>I understand that buying a franchise is not a guarantee of success. Purchasing or establishing any business is risky, and the success or failure of the franchise is subject to many variables such as my skills and abilities (and those of my partners, officers, employees), the time my associates and I devote to the business, competition, interest rates, the economy, inflation, operation costs, location, lease terms, the marketplace generally and other economic and business factors. I am aware of and am willing to undertake these business risks. I understand that the success or failure of my business will depend primarily upon my efforts and not those of Franchisor.</p>	<p>INITIAL:</p>
<p>I received a copy of the FDD, including the Franchise Agreement, at least 14 calendar days before I executed the Franchise Agreement. I understand that all of my rights and responsibilities and those of Franchisor in connection with the franchise are set forth in these documents and only in these documents. I acknowledge that I have had the opportunity to personally and carefully review these documents and have, in fact, done so. I have been advised to have professionals (such as lawyers and accountants) review the documents for me and to have them help me understand these documents. I have also been advised to consult with other franchisees regarding the risks associated with the purchase of the franchise.</p>	<p>INITIAL:</p>
<p>Has the Franchisor or any of its officers, employees or agents (including any franchise broker) made a statement, promise or assurance to me concerning any matter related to the franchise (including those regarding advertising, marketing, training, support service or assistance provided by Franchisor) that is contrary to, or different from, the information contained in the FDD?</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No (Initial Here: ____)</p> <p>If you selected “Yes,” please describe the statement, promise or assurance on the lines below:</p> <p>_____.</p>	<p>INITIAL:</p>

<p>Has your decision to purchase the franchise been influenced by any oral representations, assurances, warranties, guarantees or promises whatsoever made by the Franchisor or any of its officers, employees or agents (including any franchise broker), including as to the likelihood of success of the franchise?</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No (Initial Here: ____)</p> <p>If you selected “Yes,” please describe the representations or promises made on the lines below:</p> <p>_____.</p> <p>_____.</p>	<p>INITIAL:</p>
<p>I have made my own independent determination as to whether I have the capital necessary to fund the business and my living expenses, particularly during the start-up phase.</p>	<p>INITIAL:</p>
<p>PLEASE READ THE FOLLOWING QUESTION CAREFULLY. THEN SELECT YES OR NO AND PLACE YOUR INITIALS WHERE INDICATED.</p> <p>Have you received any information from the Franchisor or any of its officers, employees or agents (including any franchise broker) concerning actual, average, projected or forecasted sales, revenues, income, profits or earnings of the franchise business (including any statement, promise or assurance concerning the likelihood of success)?</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No (Initial Here: ____)</p> <p>If you selected “Yes,” please describe the information you received on the lines below:</p> <p>_____.</p> <p>_____.</p>	<p>INITIAL:</p>

[Signature Page to Follow]

FRANCHISEE:

Sign here if you are taking the franchise as an
INDIVIDUAL(S)
(Note: use these blocks if you are an individual
or a partnership but the partnership is not a
separate legal entity)

Signature
Print Name: _____
Date: _____

Signature
Print Name: _____
Date: _____

Signature
Print Name: _____
Date: _____

Signature
Print Name: _____
Date: _____

Sign here if you are taking the franchise as a
**CORPORATION, LIMITED LIABILITY
COMPANY OR PARTNERSHIP**

Print Name of Legal Entity

By: _____
Signature

Print Name: _____
Title: _____
Date: _____

STATE EFFECTIVE DATES

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

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

State	Effective Date
California	Not Registered
Hawaii	Not Registered
Illinois	Not Registered
Indiana	Not Registered
Maryland	Not Registered
Michigan	July 19, 2024
Minnesota	Not Registered
New York	Not Registered
North Dakota	Not Registered
Rhode Island	Not Registered
South Dakota	Not Registered
Virginia	Not Registered
Washington	Not Registered
Wisconsin	July 19, 2024

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

EXHIBIT I

RECEIPTS

**RECEIPT
(OUR COPY)**

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 Red Wagon Club Franchise, 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, Red Wagon Club Franchise, LLC or an affiliate in connection with the proposed franchise sale, or sooner if required by applicable state law. Under Iowa law, we must give you this disclosure document at the earlier of our 1st personal meeting or 14 calendar days before you sign an agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale. Under Michigan law, we must give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Red Wagon Club Franchise, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified on Exhibit C.

The franchisor is Red Wagon Club Franchise, LLC, 2801 Florida Avenue, Suite C, Coconut Grove, Florida 33133. Tel: (724) 750-6185. The franchise seller for this offering is:

<input type="checkbox"/> Tim Sechler Red Wagon Club Franchise, LLC 2801 Florida Avenue, Suite C Coconut Grove, Florida 33133 (724) 750-6185	<input type="checkbox"/> _____ Red Wagon Club Franchise, LLC 2801 Florida Avenue, Suite C Coconut Grove, Florida 33133 (724) 750-6185	<input type="checkbox"/> Name of Franchise Seller: _____ Principal Business Address: _____ _____ Telephone No.: _____
---	---	--

Issuance Date: July 19, 2024 (The effective dates in the franchise registration states are noted on the page immediately preceding the Receipts cover page.)

See Exhibit C for Red Wagon Club Franchise, LLC's registered agents authorized to receive service of process.

I have received a disclosure document dated July 19, 2024, that included the following Exhibits:

- | | |
|--|--|
| Exhibit A - Franchise Agreement | Exhibit F - Form of General Release |
| Exhibit B - Sublicense Agreement | Exhibit G - Franchisee Lists |
| Exhibit C - State Administrators / Agents for Service of Process | Exhibit H - Representations and Acknowledgment Statement |
| Exhibit D - Financial Statements | Exhibit I - Receipts |
| Exhibit E - Table of Contents of Operations Manual | |

_____ Date	_____ Signature	_____ Printed Name
_____ Date	_____ Signature	_____ Printed Name

Please sign this copy of the receipt, print the date on which you received this disclosure document, and return it, by mail or email, to Red Wagon Club Franchise, LLC, 2801 Florida Avenue, Suite C, Coconut Grove, Florida 33133, email: info@theredwagonclub.com.

**RECEIPT
(YOUR COPY)**

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| Exhibit D - Financial Statements | Exhibit I - Receipts |
| Exhibit E - Table of Contents of Operations Manual | |

_____ Date	_____ Signature	_____ Printed Name
_____ Date	_____ Signature	_____ Printed Name

PLEASE SIGN THIS COPY OF THE RECEIPT, PRINT THE DATE ON WHICH YOU RECEIVED THIS DISCLOSURE DOCUMENT AND KEEP IT FOR YOUR RECORDS.