

## FRANCHISE DISCLOSURE DOCUMENT



SATELLITE TEAMS GLOBAL LLC  
a Puerto Rico limited liability company  
1225 Avenida Juan Ponce de León Penthouse  
San Juan, 00907  
939-999-2006  
perfectfranchise@satelliteteamsglobal.com  
satelliteteams.com

You will operate a business that will provide outsourced remote personnel and staffing solutions to businesses, across a range of professional sectors, including legal services, healthcare, real estate, and other regulated and professional industries using the trade name or trademark, SATELLITE TEAMS, and also our other related trade names, trademarks, or logos (collectively, our “Marks”). We provide services to franchisees including assistance with operations methods, sales techniques, inventory, procedures for management control and training, assistance, advertising, and promotional programs (“Franchised Business”).

The total investment necessary to begin operation of a SATELLITE TEAMS franchise is \$77,500 to \$100,000. This includes \$55,000 that must be paid to us or our 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, 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 availability of disclosures in different formats, contact SATELLITE TEAMS GLOBAL LLC at 1225 Avenida Juan Ponce de León Penthouse, San Juan, 00907, 939-999-2006.

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](http://www.ftc.gov) for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

Issuance Date: July 31, 2025

## How to Use This Franchise Disclosure Document

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

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

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

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

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

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

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

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

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

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

### Some States Require Registration

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

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

## Special Risks to Consider About *This Franchise*

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Puerto Rico. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Puerto Rico than in your own state.
2. **Short Operating History.** The franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.
3. **Supplier Control.** You must purchase all or nearly all of the inventory or supplies that are necessary to operate your business from the franchisor, its affiliates, or suppliers that the franchisor designates, at prices the franchisor or they set. These prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your franchise business.
4. **Sales Performance Required.** You must maintain minimum sales performance levels. Your inability to maintain these levels may result in loss of any territorial rights you are granted, termination of your franchise, and loss of your investment.
5. **Unregistered Trademark.** The primary trademark that you will use in your business is not federally registered. If the franchisor's right to use this trademark in your area is challenged, you may have to identify your business and its products or services with a name that differs from that used by other franchisees or the franchisor. This change can be expensive and may reduce brand recognition of the products or services you offer.
6. **Spousal Liability.** Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your 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.

## MICHIGAN ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT

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

(i) 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).

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

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

Address for notices to the Michigan attorney general: Department of the Attorney General, Consumer Protection Division, Franchise Section, G. Mennen Williams Building, 1st Floor; 525 W. Ottawa Street, Lansing, MI 48909; 517-373-7117.

**SATELLITE TEAMS GLOBAL LLC FRANCHISE  
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**Exhibits**

- Exhibit A – Financial Statements
- Exhibit B – Franchise Agreement (with Attachments and State-Specific Amendments)
- Exhibit C – List of Franchised Outlets
- Exhibit D – List of Franchisees Who Have Left the System
- Exhibit E – Franchise Brand Standards Manual Table of Contents
- Exhibit F – Satellite Teams Exclusive Service Agreement
- Exhibit G – Form of General Release
- Exhibit H-1 – Sample Transfer Agreement and Consent
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- Exhibit I – List of State Administrators
- Exhibit J – Agents for Service of Process
- Exhibit K – State-Specific Addenda to Franchise Disclosure Document

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

### **The Franchisor**

The franchisor is SATELLITE TEAMS GLOBAL LLC, referred to in this disclosure document as “we,” “us,” or “our.” We refer to the person buying the franchise as “you” or “your.” If you are a corporation, partnership, limited liability company, or other entity, certain provisions of the Franchise Agreement will apply to your owners, officers, directors, and limited liability company managers (“Principals”). These are addressed in this disclosure document where appropriate. As used in this disclosure document, an “affiliate” of a named person is any person or entity that is controlled by, controlling or under common control with such named person, and includes parents and subsidiaries of the named person. Our agent for service of process in Puerto Rico is Ferraiuoli Corporate Service LLC, American International Plaza, 250 Munoz Rivera Avenue, 6th Floor, San Juan, PR, 00918.

SATELLITE TEAMS GLOBAL LLC, is a Puerto Rico limited liability company that was formed on January 3, 2025. Our principal business address is 1225 Avenida Juan Ponce de León Penthouse, San Juan, 00907. We do business under our corporate name and the name “SATELLITE TEAMS.” Exhibit J identifies the names and addresses of our agents for service of process in certain states that require we appoint them upon our registration there. Our sole business since inception is selling SATELLITE TEAMS franchises and providing training and other services to SATELLITE TEAMS franchisees. We began selling the franchises being offered in this disclosure document during 2025. We are not engaged in any other business activities and have never offered franchises in any other line of business. We do not operate a business of the type being franchised, although affiliates of ours do.

### **Parents, Predecessors, and Affiliates**

We have no predecessors of affiliates.

Our affiliate, SATELLITE TEAMS, INC. (“Affiliate Co.”) was formed in Delaware on May 2021. Its principal business address is 30 N. Gould St., Sheridan, WY 82801. Affiliate Co. also owns and operates a SATELLITE TEAMS business in California, which is the same as or similar to the Franchised Business offered. Affiliate Co. operates under the business name “SATELLITE TEAMS” as well. Through a license agreement, Affiliate Co. has granted us the right to sublicense to you the intellectual property and trademarks that it owns. Affiliate Co. operates under the corporate name. Affiliate Co. has not offered franchises in this or any other line of business. Affiliate Co. may be authorized to provide goods and services to you.

Our affiliate, SATELLITE TEAMS SERVICES, LLC (“Service Co.”) is a Puerto Rico limited liability company. Our principal business address is 1225 Ponce de Leon, Penthouse, San Juan PR 00907. We do business under our corporate name. Service Co. has not offered franchises in this or any other line of business. Service Co. may be authorized to provide goods and services to you, namely, Service Co. will collect all client invoices on your behalf and remit the gross margin to you after all fees and payments have been deducted.

### **The Franchise**

The franchise agreement attached as Exhibit B to this disclosure document (“Franchise Agreement”) will grant you the non-exclusive right to operate a business in which you will provide outsourced remote personnel and staffing solutions to businesses, across a range of professional sectors, including legal services, healthcare, real estate, and other regulated and professional industries nationally, all while using our System and Marks (“Franchised Business”). Franchisees can choose to run the business as a full-time

endeavor or alongside other non-competing business ventures, with the flexibility to operate from a home office or a small leased space. Your Franchised Business will leverage our proprietary technology and established brand reputation to provide significant cost savings and operational efficiencies to clients.

The distinguishing characteristics of the “System” include specifications, policies, and procedures for operations; quality of the products and services offered; procedures for sales, management, and financial control; customer service; training and assistance; and advertising and promotional programs, all of which we may change, improve, and further develop from time to time.

Currently, we provide franchisees the following: (a) initial training and, in our discretion, additional or remedial training on an as-needed basis; (b) access to the Franchise Operations Manual; (c) ongoing advice and written materials about the operation and management of your Franchised Business; (d) certain proprietary software programs and technology; and (e) a list of any approved or designated suppliers. We or our affiliate will provide staffing and personnel services to your clients along with invoice collection services for the first 90-days that an invoice remains open. You must enter into a Satellite Teams Exclusive Service Agreement (“ESA”) with our affiliate. The current form of ESA is attached to this disclosure document as Exhibit F along with the current Satellite Teams Master Service Agreement form that you will enter into with clients. The service offerings are subject to change. Additional services may become approved while others may be discontinued.

We, our affiliates, or our other franchisees may, from time to time in our sole discretion, solicit, seek to establish, or establish one or more national or regional accounts with prospective businesses that may be located in, or have offices, branches, or some other presence, in your Territory (“Strategic Partners”). You have no right to outsource remote personnel and staffing solutions to a Strategic Partner, but we may, in our discretion, establish a policy allowing you to do so, and we can change that policy in our discretion at any time. If you attempt to outsource remote personnel and staffing solutions to a Strategic Partner, you must strictly comply with all of our requirements relating to these relationships, including honoring any pricing arrangement agreed to between us and each Strategic Partner. We reserve the right to designate, at any time, any business as a Strategic Partner, including but not limited to those to whom you have already provided outsourced remote personnel and staffing solutions.

We may require your current and future Principals (as defined in the Franchise Agreement), which includes the franchisee “Owners,” to sign a Principals’ Undertaking agreement, binding themselves individually to certain provisions of the Franchise Agreement, including the covenants against competition (Owners only), solicitation, and disclosure of confidential information, restrictions on transfer, and dispute resolution procedures. The Principals will also guaranty any amounts owed by Franchisee to us.

From time to time, we may offer promotions and sales incentives to existing franchisees. These promotions and incentives are periodic and are subject to change in our discretion. We have no obligation to offer them.

### **Competition**

The remote staffing and recruitment industry is highly competitive and fragmented, encompassing a wide range of service providers from small local firms to large multinational corporations. As a SATELLITE TEAMS franchisee, you will compete with these entities, as well as other businesses offering similar remote staffing solutions. You may also face competition from us, our affiliates, or other SATELLITE TEAMS franchisees. Some of these competitors possess significant financial, marketing, and operational resources, and they may already have a well-established presence in your market. It is crucial to understand that the competitive landscape is dynamic, and maintaining a competitive edge will require strategic marketing and exceptional service delivery.

**Industry-Specific Regulation**

You are responsible for operating the Franchised Business in full compliance with all laws that apply. You must comply with all federal, state, and local laws, rules, wage and hour laws, worker’ compensation, tax, environmental, sanitation, insurance, data privacy, non-discrimination, Equal Employment Opportunity Commission, Occupational Safety and Health Administration, international labor standards, and regulations that apply to all businesses. Requirements and restrictions vary widely by jurisdiction, and we have made no investigation regarding the existence of any state or local laws, regulations, ordinance, taxes, or other restrictions that could affect your ability to operate the Franchised Business. Other than described above, there are no regulations known to us specific to the operation of a remote staffing and recruitment business. You should consult with your own attorney to ensure that the laws of the state where your SATELLITE TEAMS business is located permit you to provide the approved products and services we require. It is your sole responsibility to investigate any regulations in your area.

**ITEM 2. BUSINESS EXPERIENCE**

Name	Position	Principal Occupation During the Past 5 Years
Geryll Pastor	Chief Operating Officer	Geryll Pastor has been our Chief Operating Officer since our formation. Concurrently, Ms. Pastor is the Chief Operating Officer of Spectrum Solution BPO, Inc. since April 2022 located in Makati, Manila PH. Previously, Ms. Pastor was also First Vice President of Security Bank Corporation from March 2018 until December 2019 located in Makati City, Philippines.
Janine Caparos	Head of Marketing	Janine Caparos has been our Head of Marketing since our formation. Previously, Ms. Caparos was Head of Marketing for Spectrum solutions from January 2022 through December 2024 located in Makati, Manila PH. Before that, Ms. Caparos served as Marketing Operating Supervisor for Reed Elsevier Shared Services Philippines Inc. from May 2016 through January 2022 located in Quezon City, PH.

**ITEM 3. LITIGATION**

No litigation is required to be disclosed in this Item.

**ITEM 4. BANKRUPTCY**

No bankruptcy is required to be disclosed in this Item.

**ITEM 5. INITIAL FEES**

The initial franchise fee for a single SATELLITE TEAMS business is \$55,000 (“IFF”). The IFF is payable in lump sum upon execution of the Franchise Agreement.

All Item 5 fees are uniformly applied, non-refundable, and deemed earned upon payment.

**ITEM 6. OTHER FEES**

**OTHER FEES**

Type of Fee <sup>1</sup>	Amount	Due Date	Remarks
Royalties	The Greater of: (i) 10% of recruitment fees, 10% of recurring fees, and 10% of add-on fees, or (ii) \$50 per placement per month	Monthly	Calculated on the franchisee's Gross Margin, and deducted from monies remitted to the franchisee. "Gross Margin" is defined in Note 3 below.
Brand Marketing Fund	5% of recruitment fees 5% of recurring fees 5% of add-on fees	Monthly	Calculated on the franchisee's gross margin, and deducted from monies remitted to the franchisee
Technology Fee	5% of recruitment fees 5% of recurring fees 5% of add-on fees	Monthly	Calculated on the franchisee's gross margin, and deducted from monies remitted to the franchisee
Ongoing Training Fees	Up to \$400 per day, plus costs and expenses.	As required	For additional scheduled training at the franchisor's home office or another location
Personnel Management Fee	\$200 multiplied by total cumulative placements	Monthly	The Personnel Management Fee may be increased by up to 5% annually. This payment will be made to our affiliate company in consideration of payment processing and other services that they will provide to you. See Note 2
Conference Fee	Currently \$600	As required	Required for each conference we schedule. We may increase the conference fee up to a maximum of \$1,000 per person who attends the conference.

Type of Fee <sup>1</sup>	Amount	Due Date	Remarks
Transfer Fee	<p>Internal Transfer: \$2,000</p> <p>Out-of-Network Transferee: 75% of the then-current initial franchise fee</p> <p>In-Network Transferee: 50% of the then-current initial franchise fee</p>	Prior to the sale of the franchisee's business.	<p>“Internal Transfer” means the addition of a new interest holder that does not result in a change of control of the entity.</p> <p>“Out-of-Network Transferee” means a person or party who is not a current SATELLITE TEAMS franchisee in good standing.</p> <p>“In-Network Transferee” means a person or party who is a current SATELLITE TEAMS franchisee in good standing.</p> <p>In addition, if the transferee is introduced to you by a third-party broker or by us through a third-party broker, will you be responsible for any applicable third-party broker fees.</p>
Successor Fee	\$10,000	Prior to the execution of your successor agreement	Payable in immediately available funds prior to execution of our then-current franchise agreement if we approve your successor term.
System Modifications	All reasonable costs and expenses associated with system modification	As required	<p>If we make changes to our franchise System, you must adapt your business to conform to the changes. Examples may include new equipment or software.</p> <p>These may be paid to the franchisor or a third-party supplier that we designate.</p>
Temporary Management Assistance	10% of revenues or \$400 per day, whichever is greater	Each week that it applies	In you breach your Franchise Agreement or following the death or incapacity of an owner of the franchise, the franchisor may temporarily manage your franchised business.

Type of Fee <sup>1</sup>	Amount	Due Date	Remarks
Legal fees and expenses	Costs and expenses, not limited to attorneys' fees	As incurred; as court or arbitrator orders	Payable for any failure to pay amounts when due or failure to comply in any way with the Franchise Agreement
Interest	18% per annum or highest rate allowed by law	As incurred	Interest accrues from the original due date until payment is received in full. Payable on all overdue amounts, fees, charges, and payments due to us under the Franchise Agreement. Interest rate cannot exceed legal rate allowed by law and may be adjusted to reflect same.
Payment Non-Compliance	\$150 per occurrence	Within 14 days of invoice	Payable for failure to timely pay, when due, a fee or payment due to us under the Franchise Agreement, plus interest, costs and legal fees.
Audit Fee	Our costs and expenses	At once if audit shows 2% or greater underreporting	The Audit Fee is paid by you if you underreport by 2% or more percent during any designated audit period. You also pay the underpayment with late fees and interest, if any. You must pay the fees incurred by us including audit, legal, travel, and reasonable accommodations.
Insufficient Funds	\$50 per violation plus any fee charged us for uncollected funds	As incurred	Failure to have sufficient funds available for payments to us.
New Supplier/Product Evaluation Fee	Our cost and expenses	As incurred	If requested by you, you will pay all fees and costs incurred by us to obtain the necessary information and evaluate suppliers prior to giving approval for new suppliers and products.

Type of Fee <sup>1</sup>	Amount	Due Date	Remarks
Indemnification	Any and all types of damages, liabilities, losses, costs, and expenses we incur as a result of third parties claims or from your ownership and operations of the Franchised Business.	As incurred	You, your owners, and your guarantors must indemnify us and related parties for a broad range of claims related to your actions, omissions, ownership, and operations of the Franchised Business.
Post-Termination or Post-Expiration Expenses	Our actual costs and expenses	As incurred	You must pay all costs and expenses related to de-identifying the Franchised Business or otherwise complying with your post-termination or post-expiration obligations.
Enforcement Costs	Our costs and expenses	As incurred.	You must pay our costs of enforcement (including attorneys' fees and costs) if you do not comply with the Franchise Agreement and we prevail.
Insurance Premium Reimbursement	Our out-of-pocket costs, plus an administrative cost of 10% and all attorney fees; varies according to plan and provider	Upon demand	You must purchase the insurance we require. If you do not purchase the insurance we require, we may purchase it on your behalf and you must reimburse us.
Liquidated Damages	Will vary under the circumstances	Within 15 days after termination of the Franchise Agreement	Liquidated damages are determined by multiplying the combined monthly average of Royalty, additional Royalty fees, Brand Fund contributions (without regard to any fee waivers or other reductions) that are owed by you to us during the 12 months of operation preceding the effective date of termination multiplied by the lesser of: (i) 36, or (ii) the number of full months remaining in the applicable Initial or Renewal Term of the Franchise Agreement.

**Notes:**

(1) All fees and expenses in this Item 6 are non-refundable and, unless otherwise indicated in the preceding chart, are imposed uniformly by us, collected by, and are payable to us. Except as otherwise noted, we may increase these amounts based on changes in market conditions, our cost of providing services, and future policy changes, but we have no present plans to increase any fees. We do not currently require you to participate in, nor have we created, any cooperatives. We reserve the right to adjust all fees for inflation.

(2) The Personnel Management Fee is to compensate us or our affiliate for onboarding, payroll, HR management, and offboarding services of candidate(s). The Personnel Management Fee is \$200 multiplied by the number of cumulative placements each month.

(3) The Royalties are taken from amounts collected and calculated based on the prior month's Gross Margin. "Gross Margin" is defined as Gross Revenue less taxes and direct costs associated with providing services, including but not limited to expenses directly attributable to the provision of services, such as materials, labor, wire fees, and other specific costs necessary for service delivery. The term "Gross Revenue" means (i) all revenue received or receivable from Recruitment Fees, Recurring Fees, or Add-On Fees, and (ii) any other revenues and income from any source derived or received by Franchisee from, through, by, or on account of the operation of the Franchised Business or made pursuant to the rights granted hereunder, including but not limited to, any and all other revenues received using Franchisor's trademarks, methods, operations and/or trade secrets whether received in cash, in services, in kind, from barter and/or exchange, on credit (whether or not payment is actually received) or otherwise. Gross Revenue excludes: (1) federal, state, or municipal sales, use, or service taxes collected from Clients and paid to the appropriate taxing authority; (2) proceeds from insurance, excluding business interruption insurance; and (3) proceeds from any civil forfeiture, condemnation, or seizure by government entities.

Royalties are calculated as follows:

The greater of:

(A) 10% of recruitment royalty fee, 10% of recurring royalty fee, and 10% of add-on royalty fee as defined below:

(i) Recruitment Royalty Fee. (10%) of the prior month's Gross Margin realized from Recruitment Fees. "Recruitment Fees" mean fees collected from Clients when Candidates are successfully placed in a position, and

(ii) Recurring Royalty Fee. (10%) of the prior month's Gross Margin realized from Recurring Fees. "Recurring Fees" mean fees collected from Clients for the provision of ongoing services related to Candidates who have been placed and retained by the Client, and

(iii) Add-On Royalty Fee. (10%) of the prior month's Gross Margin realized from Add-On Fees. "Add-On Fees" mean fees collected from Clients for supplementary services provided to Candidates beyond the standard offerings included in Recruitment Fees and Recurring Fees; Or

(B) \$50 per placement per month.

## ITEM 7. ESTIMATED INITIAL INVESTMENT

### YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount Low – High	Method of Payment	When Due	To Whom Payment Is to Be Made
Initial Franchise Fee <sup>(1)</sup>	\$55,000	As Arranged	Execution of Franchise Agreement	Us
Leasehold Improvements	\$0 to \$500	As Arranged	Before Opening	Suppliers
Furniture & Fixtures <sup>(2)</sup>	\$0 to \$1,000	As Arranged	Before Opening	Suppliers
CRM/Back Office System	\$500 to \$1,500	As Arranged	Before Opening	Suppliers
Computer Hardware & Equipment <sup>(3)</sup>	\$0 to \$3,000	Lump Sum	Before Opening	Suppliers
Office Supplies and Equipment <sup>(4)</sup>	\$1,000 to \$2,000	As Arranged	Before Opening	Suppliers
Insurance Coverage (annual cost) <sup>(5)</sup>	\$3,000 to \$6,000	Lump Sum	Before Opening	Insurance Broker or Agent
Initial Training Expenses <sup>(6)</sup>	\$2,000 to \$4,000	As Arranged	As Incurred	Suppliers
Professional Fees <sup>(7)</sup>	\$1,000 to \$2,000	As Arranged	As Incurred	Attorney and Accountant
Initial Launch Marketing <sup>(8)</sup>	\$5,000 to \$10,000	As Arranged	As Incurred	Suppliers
Additional Funds (for first 3 months of operation) <sup>(9)</sup>	\$10,000 to \$15,000	As Arranged	After Opening	Various
<b>TOTAL</b>	<b>\$77,500 to \$100,000</b>			

**Notes:**

(1) All fees and payments are non-refundable unless otherwise noted or allowed by third-party vendors. Table 1 represents your estimated initial investment through the third month of operation of one Franchised Business. Neither we nor our affiliate offer direct or indirect financing for your IFF or for any other payments you must make or costs you must incur in starting and operating your business. The IFF for one SATELLITE TEAMS business is \$55,000.

(2) The zero-dollar amount assumes that you will initially operate out of your home and that you presently have office furniture and other equipment that you will use to operate your Franchised Business, such as a phone. The range of costs in the chart is an estimate for items such as a desk, chair, and miscellaneous office provisions you choose. We do not require that you purchase any particular amount, type, or brand of furniture or other items that you choose to purchase. If you choose to lease commercial office space, your expenses will increase by the amount of rent you pay, which will depend on the size, condition, and location of the leased premises. This rent estimate is not included in the chart. If you elect to establish your Office in a location other than your home, you may need additional furniture or fixtures

that will increase your expenditures, and you will have rent deposit expenses and other expenses not contemplated in this chart.

(3) This estimate is for the purchase of a VoIP phone system and a computer or tablet that has Internet and email capability. We have no other requirements regarding the type or brand computer or tablet you purchase. (See Item 11.) The low end of the range assumes that you already own a phone and computer or tablet that can be used in your Franchised Business.

(4) This estimate is for office supplies such as note pads, pens, file folders, stationery, business cards, etc. The low end of the estimate assumes you already have many of these supplies and/or that you operate “paperless” or mostly paperless.

(5) You are required to obtain and maintain the minimum amount of insurance specified in Item 8 of this disclosure document. This estimate reflects the cost of insurance premiums for one year. You will need to check with your local carrier for the actual cost of any deposits and premiums. The cost of coverage will vary based upon the area in which your Franchised Business will be located, your experience with the insurance carrier, the loss experience of the carrier, and other factors beyond our control. You should also check with your insurance agent or broker regarding any additional insurance that you may wish to carry above our stated minimums.

(6) We do not charge tuition or for materials for the initial training. We provide the initial training at a location in Playa Del Carmen, Mexico, virtually, or at an alternative designated location. The estimate assumes travel-related costs for one person to attend training.

(7) You will need to retain an attorney, an accountant and other consultants to help you to establish your Franchised Business. Your cost will depend on the location of the Franchised Business and the prevailing rates of local attorneys, accountants and consultants. Your costs for these services are typically nonrefundable. You should inquire about the refund policy of the attorney, accountant or consultant at or before the time of hiring. The cost of business licenses and permits will vary by location and jurisdiction..

(8) You will be required to spend money on an Initial Launch Marketing campaign within your existing network and undertake some initial marketing efforts. We may determine the amount you must spend based upon local market conditions.

(9) This is an estimate of the additional funds you may need to operate your Franchised Business during the first three months after you complete initial training. This estimate is based upon the experience of our franchisees. We cannot guarantee that you will not have additional expenses in starting the Franchised Business. This range includes sales-related expenses you will incur during the first three months. Additional operating expenses will be incurred in connection with the ongoing operation of your Franchised Business.

## **ITEM 8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES**

**Required Vendors, Products, Services, Equipment, and Supplies.** You must purchase all goods, services, inventory, computer hardware or software, supplies, and equipment you use in or sell from the Franchised Business from the vendors we approve or designate, which may include us or our affiliates, in strict conformance with our confidential Operations Manual, proprietary guidelines, and the standards and specifications issued to you. If you wish to offer or use any product or service in your SATELLITE TEAMS business from a vendor not yet approved by us, then you must obtain our prior approval, in the manner we designate in our then-current Operations Manual. We reserve the right to revoke approval for any item or supplier for any reason, and you must cease to use the item or supplier upon 30 days’ notice from us. We reserve the right to modify the standards and specifications for all the

goods, services, inventory, computer hardware or software, supplies, and equipment you use in or sell from your Franchised Business. Such standards and modifications, and any changes to them, will be provided to you in the Operations Manual or in other written communication from us. You must comply with the changes after receiving notice from us. Currently, we do not issue specifications to approved suppliers.

Where we have designated a supplier, you must use that supplier. Where we have approved multiple suppliers, you must use one of the suppliers. Not purchasing or leasing your business's equipment, inventory, computer hardware and software, supplies, merchandise, or any other items from an approved or designated supplier, as applicable, would put you in violation of the Franchise Agreement.

Service Co. will be the exclusive supplier for the proprietary Employee Management Platform that you will be required to use. Otherwise, currently neither we nor our affiliates are an exclusive, designated, or approved supplier of goods and services. We reserve all rights to designate ourselves or our affiliates as approved, designated, or exclusive suppliers of any goods and services to you. We may provide you with access to certain technologies for the Technology Fee, but the suppliers of the technology are third parties.

**Location.** We must accept the location of your office. It is your responsibility to select your own location and the site must meet our standards and specifications. You are permitted to operate the business from a home-based business. You are not allowed to relocate the business premises without our prior written approval.

**Insurance.** You are obligated to obtain and maintain at your own expense the types and amounts of insurance that we designate in our Operations Manual or otherwise in writing. All policies (except any workers' compensation insurance) must name us as an additional insured and all shall contain a waiver of all subrogation rights against us and our successors and assigns. In addition to any other insurances that may be required by applicable law or by your landlord or clients, you must procure: (i) commercial general liability insurance, including contractual liability, public liability, personal injury, products liability, advertising injury, and environmental damage coverage in the amounts of at least \$1,000,000.00 per occurrence and \$2,000,000.00 in the aggregate; (ii) prior to the operation of any vehicle on behalf of the franchised business, commercial automobile and hired/non-owner liability insurance in the recommended amount of at least a combined single limit for bodily and property damage of \$1,000,000.00, or greater if required by state law; (iii) at all times when you have any employees, worker's compensation coverage in the limits required by state law with coverage limits no less than \$1,000,000.00, and in addition, you must obtain and maintain employment practices liability insurance (EPLI) covering claims related to discrimination, wrongful termination, harassment, and other employment-related matters, with coverage limits of not less than \$250,000.00; (iv) you must maintain cyber liability insurance in a minimum amount of \$1,000,000.00, covering liabilities resulting from data breaches, privacy violations, data loss, network security failures, and related cyber events or intrusions affecting client, employee, or system data of the franchised business; and (v) umbrella coverage in an amount no less than \$1,000,000.00.

We do not have a designated supplier for insurance, but we may provide recommendations. You must furnish us with certificates of insurance evidencing the existence and continuation of the insurance coverage we require as specified here and in our Operations Manual. We require that you purchase insurance from a nationally recognized insurance company and, at all times during the Initial or Renewal Terms of this Agreement, maintain in force and pay the premiums for all types of insurance listed above. We may periodically increase or decrease the amounts of coverage required under these insurance policies and require different or additional kinds of insurance at any time (i.e. cyber liability insurance or employer practices insurance). If you fail to obtain the required insurance, we may purchase it on your behalf and you must reimburse us.

**Method of Approving Local Suppliers and All Vendors.** If you want to use goods, services, supplies, fixtures, equipment, inventory, or computer systems or suppliers that we have not approved, you must first submit to us certain information, including product or service specifications, product or service components, product or service performance history, product samples, supplier information, and any other relevant information. We will evaluate the proposed item or supplier based upon certain criteria and determine if you are approved to use the alternate item or supplier. We do not make the criteria available to you. We do inform you that we generally evaluate technical and performance properties of the item, including design, appearance, product reliability, durability, the manufacturer’s warranties, quality control methods, financial ability of the product’s producers and distributors, supplier history and reputation, and supplier capacity. Our review is generally completed in 90 days. We will advise you in writing of our decision. We impose these restrictions to safeguard the integrity of both the System and our trademarks. We reserve the right to revoke approval for any item or supplier for any reason, and you must cease to use the item or supplier upon notice from us. If you request that we evaluate an item or supplier, you will pay all fees and costs incurred by us to obtain the necessary information and to conduct the evaluation.

**Revenue Derived.** In the last fiscal year, neither we nor an affiliate received any revenue from our franchisees’ required purchases or leases. We may derive revenue from the products and services you are required to purchase or lease from us or our affiliate, or from other vendors and suppliers. Currently, we, our affiliates, and our owners do not receive any rebates, discounts, fees, commissions, payments, or other benefits from your purchase or lease of products or services from any supplier, although full rights to do so are reserved.

**Interest in Suppliers.** Service Co. owns an interest in our proprietary Employee Management Platform software, otherwise none of our affiliates, officers, or owners own any interest in any approved supplier of goods or services to our franchisees, although we reserve the right to do so in the future.

**Required Purchase Percent of Revenue.** The cost of the items that you must purchase from us, our affiliates or from suppliers designated by us represents between 80% and 90% of your total purchases in connection with the establishment of your business. The cost of the items that you must purchase from us, our affiliates or from suppliers designated by us represents between 0% and 15% of your total purchases in operating your business.

**Purchasing or Distribution Cooperatives.** Currently you are not required to participate in a purchasing or distribution cooperative. However, we have the right to require you to participate in a purchasing, or distribution cooperative in the future.

**Miscellaneous.** We may negotiate purchase agreements with suppliers, including price terms, for the benefit of the franchisees; however, we are not required to do so. We do not provide franchisees with any material benefits based upon a franchisee’s use of approved suppliers.

## ITEM 9. FRANCHISEE’S OBLIGATIONS

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

Obligation	Section in Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	8.1	Items 1, 7, and 11
b. Pre-opening purchases/leases	8.2, 12.1.1, 12.3.1	Items 7, 8, and 11

Obligation	Section in Agreement	Disclosure Document Item
c. Site development and other pre-opening requirements	8.2, 12.1.1, 12.1.3	Items 7, 8, and 11
d. Initial and ongoing training	Article 7	Items 6, 7, and 11
e. Opening	8.1, 8.2	Items 7 and 11
f. Fees	5.2.6, Article 6, 7.4, 7.5, 11.4.3, 12.3.7, 12.6, 12.8, 15.6, 16.4, 18.1.4, 18.1.5, 19.1.5	Items 5 and 6
g. Compliance with standards and policies/manuals	Article 9, 12.1, 12.1.5, 19.1.1	Items 8 and 11
h. Trademarks and proprietary information	9.3, Article 14, 19.2, 19.3, 19.4	Items 11, 13, and 14
i. Restrictions on products/services offered	12.1.6, 12.6	Items 8 and 16
j. Warranty and customer service requirements	Not Applicable	Not applicable
k. Territorial development and sales quotas	13.2	Items 12 and 16
l. Ongoing product/service purchases	12.3.4, 12.3.5	Items 6, 8, and 11
m. Maintenance, appearance, and remodeling requirements	Article 9, 12.1.6, 12.1.7	Not applicable
n. Insurance	Article 15	Items 7 and 8
o. Advertising	Article 13	Items 8 and 11
p. Indemnification	15.4, 15.6, 16.3.6, 21.1	Item 6
q. Owner's participation/management/ staffing	11.1, 11.4, 12.1.5	Item 15
r. Records and reports	12.2	Not applicable
s. Inspections and audits	12.1., 12.2.5	Not applicable
t. Transfer	Article 16	Items 6 and 17
u. Renewal or extension of rights	Article 5	Item 17
v. Post-termination obligations	Article 18	Item 17
w. Noncompetition covenants	19.5	Item 17
x. Dispute resolution	Article 20	Item 17
y. Other (guaranty)	11.3	Item 15

## ITEM 10. FINANCING

Neither we nor any of our affiliates offer direct or indirect financing. Neither we nor any of our affiliates will guarantee your lease, note, or other obligations.

## **ITEM 11. FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING**

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

**Pre-Opening Obligations:** Before you open the Franchised Business, we or our designee will:

1. Provide initial training to you and one other person at no additional cost. (Franchise Agreement, Sections 7.1 & 7.2)
2. Provide you access to our Franchise Operations Manual. (Franchise Agreement, Section 10.1)
3. Provide you ongoing advice and written materials regarding the operations and management of your Franchised Business. (Franchise Agreement, Section 10.7.)
4. Give you a list of any approved or designated suppliers and other written specifications for required or recommended goods and services. Other than providing you with the software described below, we do not provide or deliver any of the items you need for operations. (Franchise Agreement, Section 10.2)

**Continuing Obligations:** After your Franchised Business opens we or our designee will:

1. Provide you access to our Franchise Operations Manual. (Franchise Agreement, Section 10.1)
2. Provide you, as Franchisor deems appropriate and within reasonable limits, ongoing advice and written materials regarding the operations and management of your Franchised Business, including advice regarding operations challenges you may face. (Franchise Agreement, Section 7.5.)
3. Give you a list of any approved or designated suppliers and other written specifications for required or recommended goods and services. (Franchise Agreement, Section 10.5.)
4. We and/or our affiliate reserve the right, to the fullest extent allowed by applicable law, to establish maximum, minimum, or other pricing requirements with respect to Franchisor's proprietary algorithms to set client payments. (Franchise Agreement, Section 12.5.)
5. Approve or disapprove of all advertising, direct mail, and other promotional material and campaigns you propose in writing to us. (Franchise Agreement, Section 13.5.)

**Optional Services by Franchisor Pre-Opening or Post-Opening:**

1. We may provide you additional or remedial training, in our discretion. (Franchise Agreement, Sections 7.3 & 7.4.)
2. We may provide you, from time to time as it may become available, samples or digital artwork, advertising and promotional materials. (Franchise Agreement, Section 10.4.)

3. In our discretion, we may maintain a website that provides information about the SATELLITE TEAMS brands and/or the Franchised Business.

4. In our discretion, we may make available to you the updates and improvements to the System (such as changes to the products and services you may sell or recommendations for operating efficiency) as we make them available to franchisees generally.

### **Typical Length of Time Before You Open Your Franchised Business**

We estimate the typical length of time between the signing of the Franchise Agreement and the time you open your Franchised Business is between 30 - 60 days. Factors that may affect this time period include your ability to acquire financing, insurance, completion of required training, hiring a recruiter, and obtain any required licenses. If you have not commenced your Franchised Business within 90 days, then unless extended by us, in our sole direction, we reserve the right, among other things, to terminate the Franchise Agreement. (Franchise Agreement, Sections 8.1 & 8.2)

### **Office**

You will operate your office out of a facility you choose, and you may use your home as your office. We do not provide site selection assistance, negotiation assistance, or approve your office location. We do not own or lease offices to franchisees. You are solely responsible for selecting your office, remodeling, or decorating it, and conforming the office to local ordinances and building codes. We anticipate that many franchisees will operate from offices at their homes, meaning the additional work to remodel, decorate, or conform the office to local code is unnecessary.

### **Advertising**

#### **Local Advertising (Franchise Agreement, Section 13.2)**

We require you to spend Five Thousand Dollars (\$5,000.00), as we determine necessary, in opening advertising and promotional activities for at least 90 days following the signing of the franchise agreement. We do not currently require you to spend a minimum amount on local advertising to promote your Franchised Business, but we reserve the right to establish such a requirement in the future. Upon our request, you must furnish us with a quarterly report and documentation of local advertising expenditures during the previous calendar quarter. You will be required to conduct your grand opening campaign in accordance with the plans approved by us.

You may develop advertising materials for your own use at your own cost, and you may use marketing materials that we may offer to you from time to time. You may not use any advertising or marketing materials, including press releases, unless they have been approved in advance in writing by us, which approval may be withheld in our discretion. We will respond to your request for approval within ten (10) business days; however, if we do not respond within ten (10) business days, the proposed advertising or marketing material is deemed "disapproved".

At your cost and expense, you must list your Franchised Business in local business directories, including but not limited to, internet search engines. You may not maintain any business profile on Facebook, Twitter, LinkedIn, YouTube, or any other social media and/or networking site without our prior written approval and in strict compliance according to our requirements (Franchise Agreement , Section 13.5.)

#### **Brand Fund (Franchise Agreement, Section 13.3)**

You are required to contribute 5% of your Gross Margin to the Brand Fund per month. Each SATELLITE

TEAMS business operated by our affiliate or us may contribute to the Brand Fund, in our discretion but has no obligation to do so.

The Brand Fund is administered by our accounting and marketing personnel. We may use Brand Fund Contributions to pay any and all costs for the development, production and placement of advertising, marketing, promotional and public relations materials and programs. We may also use Brand Fund contributions to pay any and all costs of marketing seminars and training programs, market research, services of advertising and/or public relations agencies, and website development and maintenance. We may further use Brand Fund contributions to pay our costs (including personnel and other administrative costs) for advertising that is administered by us or prepared by us, as well as for administration and direction of the Brand Fund. The Brand Fund will not be used to defray any of our other general operating expenses. Brand Fund contributions will not be used to solicit new franchise sales; provided however, we reserve the right to include "Franchises Available" or similar language and contact information in advertising produced with Brand Fund contributions.

The Brand Fund collects and expends the Brand Fund contributions for the benefit of the System as a whole. We reserve the right to use the Brand Fund contributions to place advertising in national, regional or local media (including broadcast, print, or other media) and to conduct marketing campaigns through any channel, in our discretion, including but not limited to, Internet and direct-mail campaigns. We have no obligation, however, to place advertising or conduct marketing campaigns in any particular area. The Brand Fund and its earnings shall not otherwise inure to our benefit except that any resulting technology and intellectual property shall be deemed our property.

We have no obligation to make expenditures that are equivalent or proportionate to your Brand Fund contribution or to ensure that you benefit directly or pro rata from the production or placement of advertising from the Brand Fund. The Brand Fund is not audited. An annual unaudited financial statement of the Brand Fund is available to any franchisee upon written request. If we spend more or less than the total of all contributions to the Brand Fund in any fiscal year, we may carry forward any surplus or deficit to the next fiscal year.

No Brand Fund contributions were required, made or expended in our most recently concluded fiscal year. Although the Brand Fund is intended to be of perpetual duration, we may terminate it at any time and for any reason or no reason. We will not terminate the Brand Fund, however, until all monies in the Brand Fund have been spent for advertising or promotional purposes or returned to contributors, without interest, on the basis of their respective contributions.

### Regional Advertising

Currently, our System has no regional advertising fund or cooperative.

### Computer Requirements

You must purchase and use the hardware, software, and computer platforms we specify. You are required to have an internet-capable laptop or desktop computer that can operate the latest version of software and computer platforms we require. We also require that you have access to a cell phone in the operation of your Franchised Business. We will own your Employee Management Platform account, and all information and data contained or stored therein. The Employee Management Platform performs a variety of functions, including allows clients to track the performance of current employees, create new job requirements, view candidates and their resumes, schedule interviews, insert interview notes and maintain communications with your Satellite Teams recruiter. We also currently require you to use QuickBooks for digital bookkeeping. The cost of purchasing the required hardware is

approximately \$0 to \$3,000. The Technology fee will include access to the Employee Management Platform. We estimate that you will not be required to spend any amount of annual updates.

There are no contractual limitations on the frequency and cost of upgrades and/or updates to the above-described systems. We may in the future modify or establish other sales reporting systems, as we deem appropriate. You must fully cooperate in implementing any such modifications at your expense.

We have no obligation to maintain, repair, update or upgrade your computer and software. At your cost, you must provide on-going maintenance and repairs to your computer and software. You must upgrade your computer hardware and software as necessary to operate the most current version of our System requirements. We cannot estimate the cost of maintaining, updating and upgrading your computer hardware and software because it will depend on the make and model of your computer, repair history, usage, local cost of computer maintenance services in your area and technological advances that we cannot predict.

We reserve the right to have remote and independent access to your revenue information and client data generated by and stored in your computer system. There are no contractual limitations on our right to have full access to this information. We may retrieve, download, analyze and store such information and data at any time. Upon our request, you must sign any documents we require to allow us to independently and electronically access and retrieve the information stored in the computer system. We own all customer data stored in the computer system.

### **Confidential Franchise Operations Manual and Other Information**

After you sign the Franchise Agreement and before you begin initial training, you will be given online access to certain confidential information. We will provide you with online access to all of our Franchise Operations Manual and other confidential information we deem necessary after you successfully complete training. The Franchise Operations Manual and other confidential information may be provided through electronic means only. A copy of the table of contents of the Franchise Operations Manual is attached as Exhibit E. We consider the contents of the Franchise Operations Manual to be proprietary, and you must treat the Franchise Operations Manual and its contents as confidential. Our Franchise Operations Manual has a total of 248 pages.

### **Training**

You must attend and satisfactorily complete, as we determine, our initial franchise training program no later than 10 days prior to your commencement of the Franchised Business. You cannot begin operating your Franchised Business until you have satisfactorily completed such franchise training. We provide the initial franchise training program at no additional charge for you (if the franchisee is an individual) or your Principal plus one additional person. You are responsible for any costs you incur to participate in the training. To the extent that you obtain a recruiter, we may require that your recruiter complete our training programs from time to time as we require.

The training program for Satellite Teams franchisees will be led by Geryll Pastor, along with other trainers who we may appointed from time to time. Geryll has been with us since our formation and has been in the industry for over twenty years. Each trainer will possess a minimum of three years of relevant industry experience and at least six months of experience with Satellite Teams.

Our initial franchise training program is offered as needed during the year depending on the number of new franchisees. We will provide the initial training program for franchisees in two formats, virtually and at an office to be developed in Playa Del Carmen, Mexico. At our option, the we may designate an alternate location for this training. The subjects covered and other information relevant to our initial franchise training program are described below. We anticipate the initial training program will last for 4 week. You

will be responsible for all travel, accommodations, employee salaries, and other related expenses during the initial training program.

## TRAINING PROGRAM

### Initial Franchisee Training Program

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Business Orientation & Welcome	1	0	Virtual
Overall Operations Overview	2.5	0	Virtual
Finding The Right Recruiter for You	1	0	Virtual
Recruitment Fundamentals	1.5	0	Virtual
Sourcing Strategies	2	0	Virtual
Screening and Interviewing	2.5	0	Virtual
Presentation of Candidates to the Client	2	0	Virtual
Candidate Experience, Communication and Onboarding	2.5	0	Virtual
Client Onboarding	2	0	Virtual
Labor and Regulatory Compliance	2.5	0	Virtual
Recruitment Tools	2.5	0	Virtual
Daily sales sprint calls	1	0	Virtual
Sales roleplays + presentation practice	1	0	Virtual
Recruiter hiring support + implementation	1	0	Virtual
Overall performance review	1	0	Virtual
Business Foundation & Fundamentals	0	9	Playa Del Carmen, Mexico
Ideal Customer Profile & Understanding Your Avatars	0	9	Playa Del Carmen, Mexico
Building Relationships & Creating Value	0	9	Playa Del Carmen, Mexico
Customer Acquisition, Presentation & Sales	0	9	Playa Del Carmen, Mexico
Customer Acquisition, Presentation & Sales	0	9	Playa Del Carmen, Mexico
<b>Total Hours</b>	<b>26</b>	<b>45</b>	

We may require you to periodically attend additional training programs and seminars, which will be conducted at various locations we designate, or which may be conducted virtually, and which may be

conducted by third parties. We have the sole discretion to make available additional training in response to your request but have no obligation to do so. We and such other third parties have the right to charge a reasonable fee for these additional training programs and seminars. The fees that we charge will be based on our costs and/or the fees charged by such third parties. The duration of additional training programs will vary based upon the subject matter and content of the program. You must pay all expenses you or your personnel incur in any training program or seminar, including the cost of travel, lodging, meals, and wages.

If you do not complete our Initial Training Program to our satisfaction, we reserve the right to terminate the Franchise Agreement.

## **ITEM 12. TERRITORY**

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

When you sign the Franchise Agreement, we will grant you the non-exclusive right and license to establish and operate the Franchised Business. You will solicit and serve clients nationwide within the states where we were registered to sell franchises at the time you signed your franchise agreement. We do not allow you to relocate your territory, as no particular territory will be granted. We also have the right to allow other franchisees or affiliates to solicit clients and offer the same goods and services under the same or similar Marks nationally.

You have no right to sell goods and services through any other channel of distribution. Additionally, we, our affiliates, and any other authorized person or entity will have the right, among others, (i) to develop and establish other business systems (including systems that distribute products or services similar to those offered by the Franchised Business) using the Marks, or other names or marks, and to grant licenses to use those systems at any location without providing any rights to you, (ii) to advertise and promote any business of SATELLITE TEAMS anywhere, (iii) to operate, and license others to operate, any business of SATELLITE TEAMS anywhere, including locations that are adjacent to your office, and (iv) to offer and sell products or services through other channels of distribution including, but not limited to, the internet, telemarketing or direct marketing.

At our option and not obligation, we may establish National Accounts anywhere. We may allow you the right to provide services to National Account customers at the terms and prices we establish and in accordance with our standards. We and our affiliates may solicit customers anywhere, whether or not you currently provide services to them, in order to develop them into National Accounts. We, our affiliates, or other SATELLITE TEAMS franchisees may service National Accounts.

You must maintain or exceed the minimum number of active placements, as shown below. "Active Placement" is defined as the successful hiring of a candidate by the client, facilitated by you, where the candidate maintains continuous employment with the client. If you fail to maintain the minimum number of active placements, we may either, in our sole discretion: (i) require you to take remedial measures, which may include additional training and/or additional marketing efforts at your sole expense; or (ii) terminate the franchise agreement.

Year of Operation	Minimum Number of Active Placements End of Year
Year 1	25
Year 2	50
Year 3	75
Year 4 +	100

We do not grant franchisees any options, rights of first refusal, or similar rights to acquire franchises for any other territories. Any additional franchised businesses you are approved to operate must be operated pursuant to separate franchise agreements. Your Franchised Business must be operated from an office. The office may be a home office. You may relocate your office as long as you provide us with advance notice.

### ITEM 13. TRADEMARKS

Affiliate Co. owns all of the trademarks used by us and our franchisees. By a license agreement, Affiliate Co. has granted us the license to use and sublicense the use of all of its intellectual property that is or may be associated with the System or the proprietary marks (the “IP License Agreement”). The trademarks and service marks listed below and any additional trademarks and service marks are referred to herein as the “Marks”. The IP License Agreement grants us the right to sublicense the Marks to franchise locations. All rights in and goodwill from the use of our Marks ultimately accrue to Affiliate Co. as the trademark owner. If the IP License Agreement is terminated, the sublicenses with our franchisees will remain until the termination or expiration of their franchise agreements.

Upon execution of our Franchise Agreement, we will sublicense to you the limited right to use the following registered Marks, for which we have obtained a registration on the Supplemental and Principal Register of the United States Patent and Trademark Office:

Mark	Register	Registration Number	Registration Date
SATELLITE TEAMS (Word)	Supplemental	7291123	January 23, 2024
HIRE THE WORLD (Word)	Principal	7470896	August 13, 2024

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

Presently, other than the IP License Agreement described above, there are no agreements in effect that significantly limit our rights to use or license the use of the Marks listed in this Item in a manner material to the franchise. We know of no infringing use of the Marks that could materially affect your use of them.

Affiliate Co. intends to file all necessary affidavits of use and renewal applications when they become due. There are no currently effective material determinations of the Patent and Trademark Office, the Trademark Trial and Appeal Board, or the Trademark Administrator of any state or any court, nor are there any pending

infringement, opposition, or cancellation proceedings or material litigation, involving any of the above Marks. None of the registrations are due for renewal.

A federal or state trademark or service mark registration does not necessarily protect the use of the concerned mark against a prior user in a given relevant market area. Prior to entering into the Franchise Agreement, you should check and be sure that there are no existing uses of our marks or names or any marks or names confusingly similar to any of them within the market area where you want to do business. If you find any similar names or marks, you must immediately notify us. Any action to be taken in that event is strictly within our discretion.

Your right to use the Marks is derived solely from Franchise Agreements entered into between you and us for the purpose of operating a SATELLITE TEAMS Franchised Business. You must follow our rules and regulations with respect to the use of the Marks. You may not use any Mark in connection with any business or activity, other than the business conducted by you according to Franchise Agreements entered into between you and us, or in any other manner not explicitly authorized in writing by us. You cannot use any of the Marks or any other marks, names, or indicia of origin that are or may be confusingly similar to the Marks as part of a corporate name or other legal name. After the termination, non-renewal, or expiration of the Franchise Agreement, you may not, except with respect to the Franchised Businesses operated by you according to Franchise Agreements granted by us, at any time or in any manner identify yourself or any business as a franchisee or former franchisee of, or otherwise associated with, us or use in any manner or for any purpose any Mark or other distinguishing signs of our Franchised Business or any colorable imitation of same.

You must promptly notify us of any unauthorized use of the Marks, any challenge to the validity of the Marks, or any challenge to our ownership of, right to use and to license others to use, or your right to use, the Marks. You must promptly notify us of any claim of apparent infringement or claim of any person to rights in a similar trade name, trademark, or service Mark. Our affiliate has the right to direct and control any administrative proceeding or litigation involving the Marks, including any settlement. Our affiliate has the right, but not the obligation, to take action against uses by others that may constitute infringement of the Marks or challenge your use of the Marks or make claims about unfair competition arising out of your use of the Marks. You may not communicate with any person other than us, our affiliate, and our counsel in connection with any such infringement, challenge or claim.

If you comply with 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.

We reserve the right to substitute different proprietary marks for use in identifying the System and the business operating under it if we, in our sole discretion, determine that substitution of different marks as Marks will be beneficial to the System. You must comply with such change, revision, or substitution and bear all expenses associated with such changes.

#### **ITEM 14. PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION**

We do not own any patents and do not have any pending patent applications that are material to the Franchised Business. We and/or our affiliate do claim copyright protection and proprietary rights in the original materials used in the System, including our Franchise Operations Manual, the design elements of the Marks, bulletins, correspondence and communications with our franchisees, training, advertising and promotional materials, the content and design of any website, other written materials relating to the

operation of the Franchised Business and the System, and any other works of authorship owned by us or our affiliate fixed in a tangible medium of expression (“Copyrighted Materials”). We may change the Copyrighted Materials at any time. If we do, you must use the then-current Copyrighted Materials, and you must discontinue, as we require, the use of Copyrighted Materials.

There is no presently effective determination of the U.S. Copyright Office (Library of Congress) or any court affecting our copyrights. There is no currently effective agreement that limits our right to use and/or license our copyrights. We are not obligated by the Franchise Agreement, or otherwise, to protect any rights you have to use the Copyrighted Materials or to defend or indemnify you for claims relating to the Copyrighted Materials. We have no actual knowledge of any infringements that could materially affect the ownership, use, or licensing of any copyrights.

You must immediately notify us of any infringement of the Copyrighted Materials or of any challenge to the use of any of the Copyrighted Materials or claim by any person of any rights in any of the Copyrighted Materials. You and your Principals must agree not to communicate with any person other than us, any designated affiliate, and our or their counsel about any infringement, challenge, or claim of this type. We or our affiliates have sole discretion (but not the obligation) to take any action we deem appropriate and the right to exclusively control any litigation, or U.S. Copyright Office (or other) proceeding, arising out of any alleged infringement, challenge, or claim concerning any of the Copyrighted Materials. You must execute all instruments and documents and give us any assistance that, in our counsel’s opinion, may be necessary or advisable to protect and maintain our interests or those of our affiliates in any litigation or proceeding of this type or to otherwise protect and maintain our or their interest in the Copyrighted Materials. We and our affiliates may, in our sole discretion, modify or discontinue use of the Copyrighted Materials or other confidential information and/or use other information and/or rights in their place. If we decide to modify or discontinue use of them for any reason, you must do so also, at your expense.

We treat all Copyrighted Materials as trade secrets, and you must treat all Copyrighted Materials we communicate to you confidentially. Other confidential information includes, without limitation, research, plans, products, services, customer lists, supplier information, advertisers, business plans, marketing data and materials, software, electronic code, forms, processes, methods of operation, strategic information, financial information, manuals, and other business information. You and your Principals must agree not to communicate or use our confidential information for the benefit of anyone else during and after the term of the Franchise Agreement. You and your Principals must also agree not to use our confidential information at all after the Franchise Agreement terminates or expires. You and your Principals can give this confidential information only to your employees, contractors, and representatives who need it to operate your Franchised Business.

If you, your staff, or your Principals develop any new concept, process, or improvement in the operation or promotion of your Franchised Business, you must promptly notify us and give us all necessary information about the new process or improvement, without compensation. You, your staff, and your Principals agree that any of these concepts, processes, or improvements will become our property, and we may use or disclose them to other franchisees, as we determine appropriate.

#### **ITEM 15. OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS**

We encourage but do not require an Owner to personally supervise the Franchised Business. We prefer to select franchisees who favor and appear committed to a “hands on” and well-informed approach to the business. You may operate the business full-time or part-time, subject to the minimum performance requirement as set forth in the franchise agreement. The business must be directly supervised and managed by a person, identified to us and accepted by us, who has successfully completed training program or for

whom, based on his or her experience, we have waived this requirement. If an Owner is not willing to be the full-time operator of your business, then you will be required to hire a manager accepted by us. We do not require that your managers have any equity in the franchisee entity or receive any percentage of your Commissions. Your managers must be accepted by us, successfully complete training, and must execute a confidentiality and non-solicitation agreement similar to the one that Owners will execute. We strongly recommend that you devote a substantial amount of time to the Franchised Business, whether or not you hire a manager.

We require all Principals to binding themselves individually to certain provisions of the Franchise Agreement, like the covenants against competition and solicitation and those restricting use of the Marks and disclosure of confidential information, restrictions on transfer, and dispute resolution procedures. The Principals and their spouses must also guaranty amounts owed by the franchisee to us or our affiliates. At our request, you must have any other personnel who will have access to our confidential information, but whom we do not designate as a Principal, sign the Confidentiality and Non-Compete Agreement. We have the right, in our sole discretion, to decrease the period of time or geographic scope of the covenants or eliminate the covenants altogether for any person who signs the Confidentiality and Non-Compete Agreement.

**ITEM 16. RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL**

Under the Franchise Agreement, you must offer and sell all products and services that we require, and only the products and services that we have approved and authorized you to offer. We may add, eliminate, and change the approved or authorized products and service items periodically, and you must comply with all directives. There are no limits on our right to make changes. We impose these requirements to control the quality and uniformity of the goods and services you and other franchisees may offer through use of our trade name and trademarks. We may change the System such that you are required to obtain different types of licenses or hire employees with certain credentials.

The Franchise Agreement requires you to assign a security interest in certain assets to us as collateral in the event you default on your Franchise Agreement. The pledged assets include the accounts, credit card receivables, cash, equipment, and your franchise rights. We will agree to subordinate our rights to the security interest in the business to those of a prime lender for the purchase of the franchise and/or development of your Franchised Business.

**ITEM 17. RENEWAL, TERMINATION, TRANSFER,  
AND DISPUTE RESOLUTION THE FRANCHISE RELATIONSHIP**

**THE FRANCHISE RELATIONSHIP**

**This table lists certain important provisions of the Franchise Agreement. You should read these provisions in the Franchise Agreement attached to this disclosure document.**

<b>Provision</b>	<b>Section in Franchise Agreement</b>	<b>Summary</b>
a. Length of the franchise term	Article 4	Five-year initial term
b. Renewal or extension of the term	Sections 5.1 and 5.4	If you are in good standing as defined below, you can sign a successor agreement for two (2) additional terms of five (5) years each.

Provision	Section in Franchise Agreement	Summary
c. Requirements for franchisee to renew or extend	Sections 5.2 and 5.3	<p>Be in full compliance, have no more than three (3) events of default during current term; provide written notice to us at least six months before the end of the term; execute a new franchise agreement; pay us the Successor Agreement Fee equal to \$10,000; continue to maintain your location, current trade dress and other standards; execute a general release; comply with then-current qualifications and training requirements; including completion of additional training.</p> <p>You may be asked to sign a new Franchise Agreement with materially different terms and conditions than your original Franchise Agreement.</p>
d. Termination by franchisee	None	You may seek termination upon any grounds available by state law.
e. Termination by franchisor without cause	Section 16.7	The Franchise Agreement will terminate upon your death or permanent disability and the Franchise must be transferred within six months to a replacement franchisee that we approve.
f. Termination by franchisor with “cause”	Article 17	We may terminate only if you default. The Franchise Agreement describes defaults throughout. Please read it carefully.
g. “Cause” defined - curable defaults	Section 17.3	You have 5 days to cure non-payments and any other defaults (except for non-curable defaults listed in the Franchise Agreement and described in h. immediately below).
h. “Cause” defined – non-curable defaults	Sections 17.1 and 17.2	<p>The Franchise Agreement will terminate automatically, without notice for the following defaults: insolvency; bankruptcy; written admission of inability to pay debts; receivership; levy; composition with creditors; unsatisfied final judgment for more than 30 days; or foreclosure proceeding that is not dismissed within 30 days.</p> <p>We may terminate the Franchise Agreement upon notice to you if you: do not obtain licenses and permits and/or open the Franchised Business within required time frames; falsify any report to us; cease operations for 3 days or more; fail to comply with applicable laws; understate Gross Revenue two (2) or more times; fail to comply with insurance and indemnification requirements; attempt a transfer in violation of the Franchise Agreement; fail,</p>

Provision	Section in Franchise Agreement	Summary
		<p>or your legal representative fails to transfer as required upon your death or permanent disability; misrepresent or omit a material fact in applying for the Franchise; are convicted or plead no contest to a felony or crime that could damage the goodwill or reputation of our trademarks or the System; receive an adverse judgment in any proceeding involving allegations of fraud, racketeering or improper trade practices or similar claim that could damage the goodwill or reputation of our trademarks or the System; conceal revenues or maintain false books; create a threat or danger to public health or safety; fails to cure a violation of law within three (3) days of notification; refuse an inspection or audit by us; use our trademarks, copyrighted material or Confidential Information in an unauthorized manner; make an unauthorized disclosure of Confidential Information; fail to comply with non-competition covenants; default in the performance of your obligations three (3) or more times during the term or receive two (2) or more default notices in any 12-month period; fail to meet the Minimum Performance Standards; default under any other agreement with us or our affiliate; have insufficient funds to honor a check or EFT three (3) or more times during the term; or terminate the Franchise Agreement without cause.</p>
<p>i. Franchisee's obligations on termination/nonrenewal</p>	<p>Article 18</p>	<p>Upon termination, you must: cease operations; cease to identify yourself as a SATELLITE TEAMS franchisee; cease to use our trademarks; cancel any assumed name registration that contains any Mark; pay us and our affiliates all sums owing; pay us any damages, costs or expenses we incur in obtaining any remedy for any violation of the Franchise Agreement by you, including, but not limited to attorneys' fees; deliver to us all Confidential Information, the Operations Manual and all records and files related to your Franchised Business; comply with the non-disclosure and non-competition covenants; pay liquidated damages, sell to us, at our option, all furnishing, fixtures, equipment, inventory</p>

Provision	Section in Franchise Agreement	Summary
		and supplies of your Franchised Business; and assign, at our option, your telephone numbers, directory and internet listings, and social media and software accounts.
j. Assignment of contract by franchisor	Section 16.1.1	We may transfer our rights without restriction.
k. “Transfer” by franchisee – defined	Section 16.3	Any assignment, sale, transfer, gift, devise or encumbrance of any interest in the Franchise Agreement, the Franchised Business, any assets of the Franchised Business, or in the Franchisee (if the Franchisee is a business entity).
l. Franchisor’s approval of transfer by franchisee	Sections 16.2 and 16.3	No transfer is allowed without our consent, which we will not unreasonably withhold.
m. Conditions for franchisor approval of transfer	Sections 16.3 and 16.4	Conditions include: our decision not to exercise our right of first refusal; transferee meets our then-current standards for qualifying franchisees; transferee signs our then-current form of Franchise Agreement, which may have materially different terms from your Franchise Agreement; transferee successfully complete our Initial Training Program; you have paid us and third-party creditors all amounts owed; you and the transferee sign a general release in a form satisfactory to us; you shall subordinate any claims you have against the transferee to us; our approval of the material terms and conditions of the transfer; payment of a transfer fee.
n. Franchisor’s right of first refusal to acquire franchisee’s business	Section 16.6	You must promptly notify us of any written offer to purchase your Franchise. We have 30 days to exercise our first right to buy it on the same terms and conditions, provided that (a) we may substitute cash for any other consideration (b) we may pay the entire purchase price at closing, (c) our credit is deemed as good as the proposed purchaser, (d) we have at least 90 days to close and (e) you shall give us all customary seller’s representations and warranties.
o. Franchisor’s option to purchase franchisee’s business	Section 18.2	Upon termination, you will assign all customer contracts to us. Upon termination of the Franchise Agreement, we have the option to purchase your equipment, furniture, fixtures, signs, advertising materials, supplies, and inventory at your cost or fair market value, whichever is less.

Provision	Section in Franchise Agreement	Summary
p. Death or disability of franchisee	Sections 16.3, 16.4, and 16.7	The Franchise Agreement will terminate automatically upon your death or permanent disability, unless prohibited by law and the Franchise is transferred within 3 months to a replacement franchisee that we approve.
q. Non-competition covenants during the term of the franchise	Section 19.5.1	You may not: divert, or attempt to divert, any business, employee, independent contractor, candidate, client, vendor, referral source, or other similar third party of the Franchised Business or of other franchisees in the System to any competitor, participate in any capacity, including, but not limited to as an owner, investor, officer, director, employee or agent, in any competing business; do any act that could damage the goodwill of the Marks or System, or disrupt or jeopardize our business or that of our franchisees.
r. Non-competition covenants after the franchise is terminated or expires	Section 19.5.2	For 24 months after the termination of the Franchise Agreement, you may not: divert, or attempt to divert, any business, employee, independent contractor, candidate, client, vendor, referral source, or other similar third party of the Franchised Business or of other franchisees in the System to any competitor, participate in any capacity, including, but not limited to as an owner, investor, officer, director, employee or agent, in any competing business; do any act that could damage the goodwill of the Marks or System, or disrupt or jeopardize our business or that of our franchisees.
s. Modification of the agreement	Sections 9.4, 14.6, 19.1.4 and 21.12	No oral modifications generally, but we may change the Operations Manual and System standards at any time. You may be required to implement these changes at your own costs. We have the right to modify our Marks at any time upon written notice to you.
t. Integration/merger clause	Section 21.12	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to state law). Nothing in the Franchise Agreement or in any related agreement is intended to disclaim the representations made in this Franchise Disclosure Document. Any representations or promises outside of the Franchise Disclosure Document and other agreements may not be enforceable.

Provision	Section in Franchise Agreement	Summary
u. Dispute resolution by arbitration or mediation	Sections 20.1 and 20.2	Disputes must be first mediated. If not resolved, they will be arbitrated. There are exceptions for actions we bring for injunctive or other equitable relief or for certain types of claims related to confidential information, restrictive covenants, unpaid fees, or intellectual property.
v. Choice of forum	Section 20.3	Unless contrary to applicable state law, mediation will be held in the city where we maintain our principal place of business and arbitration will be held at the AAA offices, or the nearest to our principal place of business. Unless contrary to applicable state law, venue for any other proceeding is the state or federal district court in which our principal place of business is located, which is currently Puerto Rico. See the State- Specific Addenda attached to this disclosure document.
w. Choice of law	Section 20.5	Unless contrary to applicable state law, the Franchise Agreement is to be interpreted and construed accordance with the laws of the Commonwealth of Puerto Rico, with the exceptions of Puerto Rico Law 75, known as the “Dealer's Contract Law,” which shall not apply to the Franchise Agreement unless its statutory application is independently met.

**ITEM 18. PUBLIC FIGURES**

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

**ITEM 19. FINANCIAL PERFORMANCE REPRESENTATIONS**

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

This Item contains historic performance representations of our Affiliate Co. which has been operating since 2021. Affiliate Co. does not have an exclusive territory, the same of which is being offered in this franchise disclosure document and therefore is representative of the Franchised Business you may operate. The information provided below is from unaudited reports as of January 2024 to December 2024 (the “Reporting Period”).

**Table 1: Affiliate Co. Total Gross Profit,  
Certain Expenses, and Profit  
January 2024 - December 2024.**

	<b>Annual Total - 2024</b>
Total Income	\$3,547,206
Total Cost of Goods Sold <sup>1</sup>	\$2,521,723
<b>Gross Profit</b>	<b>\$1,025,483</b>
Gross Profit (%)	28.9%
Franchise Adjustments <sup>2</sup>	
Salary & Benefits – Recruiters	\$10,360.74
Royalty (10% of Gross Margin <sup>3</sup> )	\$102,548
Brand Fund (5% of Gross Margin)	\$51,274
Tech Fee (5% of Gross Margin)	\$51,274
Management Fee (\$200/FTE/Mo) <sup>4</sup>	\$272,000.00
Total Franchise-Specific Costs	\$487,456.74
<b>Adjusted Gross Profit <sup>5</sup></b>	<b>\$538,026</b>
Adjusted Gross Profit as a Percent of Total Gross Revenues	15.2%

Note 1: Cost of goods sold includes recruiter costs, benefits, taxes, and direct costs of placement. Payments made to vendors in other countries have been shown in USD. Funds paid to vendors in other countries were converted from USD to other currencies at the time of payment. Exact payments may vary as of the date of conversion.

Note 2: Affiliate Co. is not subject to the same fee obligations as a franchisee. We have added these additional fees and costs as though our affiliate was a franchisee and paid them. You will pay the Royalty, Brand Fund Fee, Technology Fee, and Management Fee.

Note 3: The Royalties are taken from amounts collected and calculated based on the prior month’s Gross Margin. “Gross Margin” is defined as Gross Revenue less taxes and direct costs associated with providing services, including but not limited to expenses directly attributable to the provision of services, such as materials, labor, wire fees, and other specific costs necessary for service delivery. The term “Gross Revenue” means (i) all revenue received or receivable from Recruitment Fees, Recurring Fees, or Add-On Fees, and (ii) any other revenues and income from any source derived or received by Franchisee from, through, by, or on account of the operation of the Franchised Business or made pursuant to the rights granted hereunder, including but not limited to, any and all other revenues received using Franchisor’s trademarks, methods, operations and/or trade secrets whether received in cash, in services, in kind, from barter and/or exchange, on credit (whether or not payment is actually received) or otherwise. Gross Revenue excludes: (1) federal, state, or municipal sales, use, or service taxes collected from Clients and paid to the appropriate taxing authority; (2) proceeds from insurance, excluding business interruption insurance; and (3) proceeds from any civil forfeiture, condemnation, or seizure by government entities.

Note 4: The Management Fee is calculated by multiplying \$200 per fully-time employee (“FTE”) per month. For example, if there were 100 FTEs, the Management Fee would be calculated as 100 FTEs \* 12 months \* \$200 = \$240,000 annually.

Note 5: Adjusted Gross Profit accounts for some imputed franchise-specific costs, such as Royalty, Brand Fund Fee, Technology Fee, and Management Fee and does not include any other expenses paid to us, our affiliates, or to third parties as you operate. Additional expenses not disclosed here may include, but are not limited to, general administrative expenses, entertainment expenses, and/or general organizational costs.

**Table 2: Number of Active Clients  
January 2024 - December 2024**

	Jan. 2024	Feb. 2024	Mar. 2024	Apr. 2024	May 2024	Jun. 2024	Jul. 2024	Aug. 2024	Sep. 2024	Oct. 2024	Nov. 2024	Dec. 2024
<b>Active Clients</b>	33	36	37	38	37	36	34	33	35	35	35	34

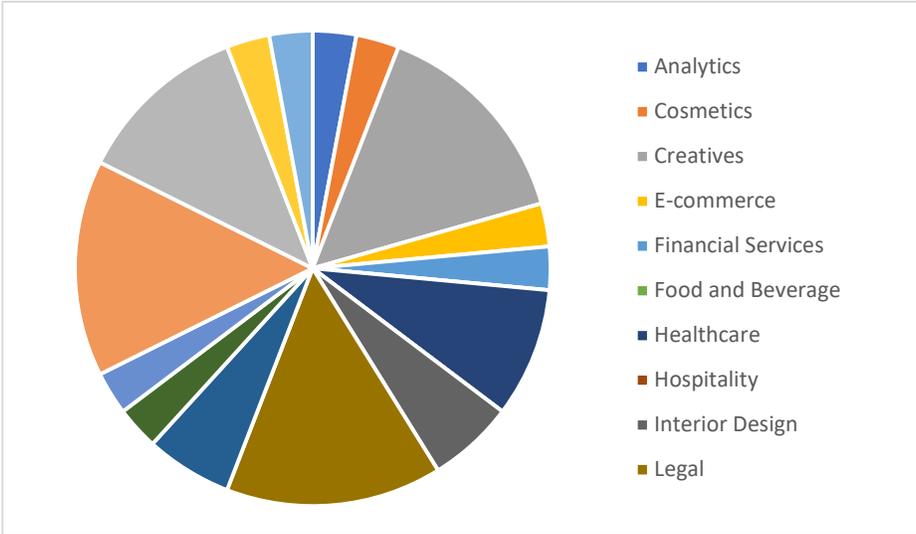
Note 1: Table 2 shows Affiliate Co.’s number of active clients each month from January 2024 – December 2024

**Table 3: Number of Active Employees  
January 2024 - December 2024**

	Jan. 2024	Feb. 2024	Mar. 2024	Apr. 2024	May 2024	Jun. 2024	Jul. 2024	Aug. 2024	Sep. 2024	Oct. 2024	Nov. 2024	Dec. 2024
<b>Placements</b>	104	-1	3	-5	9	-4	14	0	-1	4	2	-2
<b>Year-to-Date (YTD)</b>	104	103	106	101	110	106	120	120	119	123	125	123

Note 1: Table 3 shows Affiliate Co.’s employee placements each month from January 2024 – December 2024, and the total cumulative YTD employee placement.

**Table 4: Types of Client Industries**



Note 1: Table 4 shows the spread of Affiliate Co.’s clients’ industries as it pertains to active clients as of December 31, 2024.

**Table 5: Employee Turnovers**

Retention	Jan. 2024	Feb. 2024	Mar. 2024	Apr. 2024	May 2024	Jun. 2024	Jul. 2024	Aug. 2024	Sep. 2024	Oct. 2024	Nov. 2024	Dec. 2024
Total	106%	99%	103%	100%	100%	97%	107%	98%	102%	106%	100%	98%
Attrition												
Total	3%	3%	1%	4%	8%	5%	6%	3%	4%	2%	4%	4%

Note 1: Table 5 shows Affiliate Co.’s Retention Rate and Attrition Rate each month from January 2024 – December 2024 of employee placements.

**Some outlets have sold this amount. Your individual results may differ. There is no assurance that you will sell as much.**

We have written substantiation in our possession to support the information appearing in this Item 19, and such substantiation will be made available to you on reasonable request.

Other than the preceding financial performance representation, 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 SATELLITE TEAMS GLOBAL LLC at 1225 Avenida Juan Ponce de León Penthouse, San Juan, 00907; 939-999-2006, the Federal Trade Commission, and the appropriate state regulatory agencies.

**ITEM 20. OUTLETS AND FRANCHISEE INFORMATION**

**Table No. 1  
Systemwide Outlet Summary  
For Years 2022 to 2024**

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2022	0	0	0
	2023	0	0	0
	2024	0	0	0
Company-Owned	2022	1	1	0
	2023	1	1	0
	2024	1	1	0
<b>Total Outlets</b>	<b>2022</b>	<b>1</b>	<b>1</b>	<b>0</b>
	<b>2023</b>	<b>1</b>	<b>1</b>	<b>0</b>
	<b>2024</b>	<b>1</b>	<b>1</b>	<b>0</b>

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

State	Year	Number of Transfers
All States	2022	0
	2023	0
	2024	0
<b>Totals</b>	<b>2022</b>	<b>0</b>
	<b>2023</b>	<b>0</b>
	<b>2024</b>	<b>0</b>

**Table No. 3**  
**Status of Franchised Outlets**  
**For Years 2022 to 2024**

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of Year
California	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
<b>Totals</b>	<b>2022</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>2023</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>2024</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Table No. 4**  
**Status of Company-Owned Outlets**  
**For Years 2022 to 2024**

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
California	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
<b>Totals</b>	<b>2022</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>
	<b>2023</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>
	<b>2024</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>

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

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets In The Next Fiscal Year	Projected New Company-Owned Outlets In the Next Fiscal Year
Alabama	0	1	0
Arizona	0	1	0
California	0	0	0
Colorado	0	1	0
Connecticut	0	0	0
Florida	0	1	0
Georgia	0	0	0
Illinois	0	0	0
Indiana	0	0	0
Kansas	0	1	0
Maine	0	1	0
Maryland	0	0	0
Massachusetts	0	0	0
Michigan	0	0	0
Minnesota	0	0	0
Nebraska	0	0	0
New Hampshire	0	0	0
<b>Totals</b>	<b>0</b>	<b>6</b>	<b>0</b>

**Notes:**

The name, business address, and business telephone number of each current franchisee on December 31, 2024 are listed in Exhibit C.

We have listed for the period from January 1, 2024 through December 31, 2024, the name, city, state, and current business telephone number (or, if unknown, the last known home telephone number) of every franchisee who has had a Franchised Business terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement, or who has not communicated with us within 10 weeks of the date of issuance of this disclosure document are listed in Exhibit D.

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system. As of December 31, 2024, we have no current or former franchisees who have signed provisions during the last three fiscal years restricting their ability to speak openly to you about their experience with the franchise system.

As of the date of this disclosure document, there are no franchisee organizations created, sponsored, or endorsed by us and no independent franchisee organizations have asked to be included in this disclosure document.

### **ITEM 21. FINANCIAL STATEMENTS**

Attached as Exhibit A is our audited balance sheet as of January 3, 2025. Our fiscal year ends December 31.

### **ITEM 22. CONTRACTS**

Attached to this disclosure document are the following contracts and their attachments:

1. Franchise Agreement and all attachments
2. Satellite Teams Exclusive Service Agreement
3. Form of General Release
4. Sample Transfer Agreement and Consent; Sample Assignment and Assumption Agreement

### **ITEM 23. RECEIPTS**

Attached as the last two pages of this disclosure document are two Receipts. When you receive this disclosure document, you must sign both Receipts and return one to us, retaining the other for your records.

**EXHIBIT A**  
**FINANCIAL STATEMENTS**



**SATELLITE TEAMS GLOBAL, LLC**  
**INDEPENDENT AUDITORS' REPORT**  
**AND**  
**AUDITED BALANCE SHEET**

*June 30, 2025*



## INDEPENDENT AUDITORS' REPORT

To the Members of  
Satellite Teams Global, LLC:

### **Opinion**

We have audited the accompanying Balance Sheet of Satellite Teams Global, LLC (the "Company") as of June 30, 2025.

In our opinion, the balance sheet referred to above present fairly, in all material respects, the financial position of the Company as of June 30, 2025, in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Balance Sheet section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Balance sheet**

Management is responsible for the preparation and fair presentation of the balance sheet in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of balance sheet that are free from material misstatement, whether due to fraud or error.

In preparing the balance sheet, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the balance sheet are available to be issued.



### **Auditor's Responsibilities for the Audit of the Balance sheet**

Our objectives are to obtain reasonable assurance about whether the balance sheet as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the balance sheet.

In performing an audit in accordance with generally accepted auditing standards in the United States of America, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the balance sheet, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the balance sheet.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the balance sheet.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.



We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

*Excel Accounting Professionals LLC*

Excel Accounting Professionals LLC  
Carolina, Puerto Rico  
September 5, 2025

Certified Public Accountants (of Puerto Rico)  
License No.394 Expires December 31, 2025



DLLC394-3  
Satellite Teams Global LLC

SATELLITE TEAMS SERVICES LLC  
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SATELLITE TEAMS SERVICES LLC  
BALANCE SHEET  
JUNE 30, 2025



	<u>2025</u>
<b>ASSETS</b>	
ASSETS-	
Cash and cash equivalents	<u>100,165</u>
Total assets	<u>\$ 100,165</u>
<b>LIABILITIES AND MEMBERS' EQUITY</b>	
MEMBERS' EQUITY, net	<u>100,165</u>
Total liabilities and members' equity	<u>\$ 100,165</u>

The accompanying notes are an integral part of this balance sheet.



## 1. Organization, Nature of Business and Summary of Significant Accounting Policies

Satellite Teams Global, LLC (the "Company") was organized on January 3, 2025, as a limited liability company under the laws of the Commonwealth of Puerto Rico. The Company performs any and all lawful activities under applicable law. The Company provides executive management, online advertising and e-commerce services, vendor management and financial management services. The Company primarily engages in the following activities:

- Selling Satellite Teams franchises
- Provide training and other services to Satellite Teams franchisees

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Company prepares its balance sheet in accordance with accounting principles generally accepted in the United States of America. The following is a description of the most significant accounting policies used by the Company:

**Accounting estimates** - The preparation of balance sheet in conformity with accounting principles generally accepted in the United States of America requires management to include amounts based on judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the balance sheet and the reported amounts of revenue and expenses during the reported period. Accordingly, actual results could differ from those estimates.

**Cash and Cash Equivalents** - Cash represents demand deposit accounts in banks. The Company considers highly liquid investments with maturities of three months or less at the date of purchase to be cash equivalents.

## 3. CAPITAL CONTRIBUTIONS

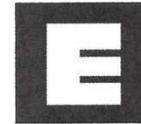
On June 27, 2025, the Company received a capital contribution of \$100,165 from its sole member, Matt Martin. The capital was contributed in cash and is recorded as members' equity on the balance sheet.

## 4. SUBSEQUENT EVENTS

The Company has evaluated subsequent events through September 5, 2025, the date the balance sheet was available to be issued. There are no additional material subsequent events that would require further disclosure in the Company's audited balance sheet.

**SATELLITE TEAMS GLOBAL, LLC  
INDEPENDENT AUDITORS' REPORT  
AND  
AUDITED BALANCE SHEET**

January 3, 2025



## INDEPENDENT AUDITORS' REPORT

To the Members of  
Satellite Teams Global, LLC:

### **Opinion**

We have audited the accompanying Balance Sheet of Satellite Teams Global, LLC (the "Company") as of January 3, 2025, the date of inception.

In our opinion, the balance sheet referred to above present fairly, in all material respects, the financial position of the Company as of January 3, 2025, in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Balance Sheet section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Balance sheet**

Management is responsible for the preparation and fair presentation of the balance sheet in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of balance sheet that are free from material misstatement, whether due to fraud or error.

In preparing the balance sheet, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the balance sheet are available to be issued.

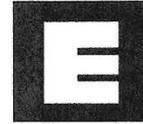


### **Auditor's Responsibilities for the Audit of the Balance sheet**

Our objectives are to obtain reasonable assurance about whether the balance sheet as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the balance sheet.

In performing an audit in accordance with generally accepted auditing standards in the United States of America, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the balance sheet, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the balance sheet.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the balance sheet.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.



We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

*Excel Accounting Professionals LLC*

Excel Accounting Professionals LLC

Carolina, Puerto Rico

June 20, 2025

Certified Public Accountants (of Puerto Rico)

License No.394 Expires December 1, 2025



DLLC394-2

Satellite Teams Global LLC

**SATELLITE TEAMS SERVICES LLC  
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JANUARY 3, 2025**

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SATELLITE TEAMS SERVICES LLC  
BALANCE SHEET  
JANURY 3, 2025



	<u>2025</u>
<b>ASSETS</b>	
ASSETS-	
Cash and cash equivalents	<u>100,000</u>
Total assets	<u>\$ 100,000</u>
<b>LIABILITIES AND MEMBERS' EQUITY</b>	
MEMBERS' EQUITY, net	<u>100,000</u>
Total liabilities and members' equity	<u>\$ 100,000</u>

The accompanying notes are an integral part of this balance sheet.



### 1. Organization, Nature of Business and Summary of Significant Accounting Policies

Satellite Teams Global, LLC (the "Company") was organized on January 3, 2025, as a limited liability company under the laws of the Commonwealth of Puerto Rico. The Company performs any and all lawful activities under applicable law. The Company provides executive management, online advertising and e-commerce services, vendor management and financial management services. The Company primarily engages in the following activities:

- Selling Satellite Teams franchises
- Provide training and other services to Satellite Teams franchisees

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Company prepares its balance sheet in accordance with accounting principles generally accepted in the United States of America. The following is a description of the most significant accounting policies used by the Company:

**Accounting estimates** - The preparation of balance sheet in conformity with accounting principles generally accepted in the United States of America requires management to include amounts based on judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the balance sheet and the reported amounts of revenue and expenses during the reported period. Accordingly, actual results could differ from those estimates.

**Cash and Cash Equivalents** - Cash represents demand deposit accounts in banks. The Company considers highly liquid investments with maturities of three months or less at the date of purchase to be cash equivalents.

### 3. CAPITAL CONTRIBUTIONS

On January 3, 2025, date of inception, the Company received an initial capital contribution of \$100,000 from its sole member, Matt Martin. The capital was contributed in cash and is recorded as members' equity on the balance sheet.

### 4. SUBSEQUENT EVENTS

The Company has evaluated subsequent events through June 20, 2025, the date the balance sheet was available to be issued. There are no additional material subsequent events that would require further disclosure in the Company's audited balance sheet.

**EXHIBIT B**  
**FRANCHISE AGREEMENT**  
**SATELLITE TEAMS GLOBAL,**  
**LLC**

**SATELLITE TEAMS  
FRANCHISE AGREEMENT**

---

**FRANCHISEE**

---

**EFFECTIVE DATE**

SATELLITE TEAMS GLOBAL, LLC  
FRANCHISE AGREEMENT

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- ATTACHMENT 1: TRADEMARKS
- ATTACHMENT 2: MINIMUM PERFORMANCE STANDARDS
- ATTACHMENT 3: AUTHORIZATION AGREEMENT AUTOMATIC DEPOSITS (ACH WITHDRAWALS)
- ATTACHMENT 4: STATEMENT OF OWNERSHIP INTERESTS IN FRANCHISEE/ENTITY
- ATTACHMENT 5: SPOUSE GUARANTY
- ATTACHMENT 6: PROVISIONS APPLICABLE TO SBA FINANCING
- ATTACHMENT 7: CONFIDENTIALITY AND NON-COMPETE AGREEMENT

THIS FRANCHISE AGREEMENT (this "Agreement") is being entered into on \_\_\_\_\_, (the "Effective Date") by and between Satellite Teams Global, LLC, a Puerto Rico limited liability company with its principal place of business at American International Plaza, 250 Muñoz Rivera Avenue, 6th Floor, San Juan, Puerto Rico, 00918 (herein "Franchisor") and \_\_\_\_\_, a(n) \_\_\_\_\_, with its principal place of business located at \_\_\_\_\_ and \_\_\_\_\_'s principals \_\_\_\_\_, an individual residing at \_\_\_\_\_ and \_\_\_\_\_, an individual residing at \_\_\_\_\_ ("Principal(s)"). \_\_\_\_\_ and Principal(s) shall be individually and collectively referred to, and each is, the "Franchisee".

## RECITATIONS

Through the expenditure of considerable time, effort and money, Franchisor has developed and established a business that provides outsourced remote personnel and staffing solutions to businesses, across a range of professional sectors, including legal services, healthcare, real estate, and other regulated and professional industries. Franchisor further specializes in sourcing, hiring, onboarding, compensating, and managing full-time offshore remote professional candidates, using Franchisor's proprietary technology and Franchisor's confidential operations manual ("Manual") of business practices and policies, and Franchisor's operations methods, sales techniques, inventory, procedures for management control and training, assistance, advertising, and promotional programs, all of which may be changed, improved or further developed by Franchisor at any time (taken together herein the "System").

The System is identified by certain trade names, service marks, trademarks, logos, emblems and indicia of origin, including but not limited to the Satellite Teams service mark, as set forth in Attachment 1, and such other trade names, service marks, and trademarks as are now designated and may hereafter be designated or substituted by Franchisor for use in connection with the System (the "Marks").

Franchisor continues to develop, use, and control the use of such Marks in order to identify for the public the source of services and products marketed under the Marks and the System and to represent the System's high standards of quality, appearance, and service.

Franchisee understands and acknowledges the importance of Franchisor's high and uniform standards of quality and service and the necessity of operating the business franchised hereunder in conformity with Franchisor's standards and specifications.

NOW, THEREFORE, the parties, in consideration of the promises, undertakings and commitments of each party to the other set forth herein, and intending to be legally bound hereby, mutually agree as follows:

- 1. RECITATIONS.** The Recitations set out above form part of this Agreement.
- 2. GRANT OF FRANCHISE.** Franchisor hereby grants to Franchisee and Franchisee accepts, upon the terms and conditions contained in this Agreement, the license to operate a Satellite Teams franchise (the "Franchise" or "Franchised Business") that provides to businesses (each a "Client") outsourced remote staffing and personnel placement across a range of industries, including but not limited to legal, healthcare, professional services and real estate, and other related services, by providing candidates (each a "Candidate"), pursuant to a client account agreement ("Client Account Agreement"), using only the Marks licensed hereunder, in strict conformity with the System, which may be changed, improved, and further developed by Franchisor from time to time. Client Account Agreements mean agreements formalizing relationships between Franchisee and Client, for the provision of services to such Client, as negotiated with Client. This grant applies only to a Franchised Business operated from a single location, provided that

Franchisee may solicit, offer, and sell System products and services, on a non-exclusive basis, throughout the United States.

### 3. SOLICITATION AND SALES RESTRICTIONS

3.1 No Exclusivity. Franchisee acknowledges that the grant of rights pursuant to this Agreement does not include any exclusive rights to a specific territory or area in which Franchisee may solicit or sell System services and products. The Franchised Business operates under a virtual, technology-driven service model from an office location, and is designed to solicit and serve Clients nationwide. Franchisor reserves the right to open, operate or franchise Satellite Teams franchises anywhere, including around, bordering and adjacent to Franchisee's Franchised Business office location. Franchisee acknowledges that Franchisee may face competition from other System franchisees and/or from Franchisor or Franchisor's affiliates. Franchisor makes no representation or warranty with regard to (i) how potential conflicts will impact the Franchise or (ii) Franchisor's ability to coordinate and mediate conflicts. Franchisee shall follow all client acquisition policies and procedures required by Franchisor as specified in the Operations Manual or otherwise in writing, including, but not limited to, provisions regarding lead generation, and solicitation and engagement of current and prospective Clients.

3.2 Reservation of Rights. Franchisee understands and agrees that all rights to any businesses are fully reserved to Franchisor. By way of example only, Franchisor reserves the rights to offer (i) other services and products not offered under the Marks, (ii) other recruiting or staffing concepts or products under the Marks or other trademarks; and (iii) products or services through other channels of distribution including, but not limited to, the internet, telemarketing or direct marketing ("Alternate Channels of Distribution"). Franchisee will receive no compensation for Franchisor's sales through Alternate Distribution Channels, and Franchisee agrees that such implementation of Franchisor's rights pursuant to this Section 3.2 is deemed not to impair or injure Franchisee's rights pursuant to Article 2 hereof.

3.3 National Accounts. Notwithstanding anything to the contrary in Section 3.1 hereof, Franchisor further specifically reserves the right to solicit, sell to, negotiated rates with, and service Clients that conduct business across multiple areas or have multiple businesses either regionally or nationally ("National Accounts"). Franchisor may offer Franchisee the right to service National Accounts, provided that Franchisee accepts negotiated terms and meets Franchisor's specifications; otherwise, Franchisor may service the National Accounts either directly or permit one or more franchisee(s) to provide such service.

3.4 Minimum Performance Standards. Franchisee agrees to use best efforts to market Franchisee's Franchised Business to meet the Minimum Performance Standards set forth on Attachment 2 hereof. Franchisee's failure to meet the Minimum Performance Standards is a material default of this Agreement, and upon such default, Franchisor is entitled to do one or more of the following: (i) require Franchisee to take remedial measures, which may include additional training and/or marketing efforts, at Franchisee's sole expense; or (ii) terminate this Agreement.

**4. TERM.** Unless terminated earlier in accordance with the terms set forth in this Agreement, this Agreement and the Franchise granted hereunder shall commence upon the Effective Date set forth above, and terminate on the date that is five (5) years following the Opening Date, as defined in Section 8 hereof (the "Term").

**5. SUCCESSOR OPTION.** Subject to the terms and conditions of this Agreement, Franchisee shall have the right, following the expiration of the Term hereof, to enter into a new franchise agreement and other agreements then customarily employed by Franchisor and in the form then generally being offered to prospective franchisees in the state in which the Franchise is located (the "Successor Franchise Agreement") for two (2) additional five (5) year terms. The term of such Successor Franchise Agreement shall commence upon the date of expiration of the immediately preceding term. Franchisee shall be charged

a successor agreement fee in the amount of Ten Thousand Dollars (\$10,000.00) (the “Successor Agreement Fee”).

5.1 Form and Manner of Successor Agreement. If Franchisee desires to exercise Franchisee’s option to enter into a Successor Franchise Agreement, it shall be done in the following manner:

5.1.1 Not less than ninety (90) days, and no more than one hundred eighty (180) days, prior to the expiration of the Term of this Agreement, Franchisee shall request from Franchisor in writing, a copy of Franchisor’s then-current Disclosure Document (including Franchisor’s then-current franchise agreement).

5.1.2 Franchisee must execute and return to Franchisor all required documents, including any and all ancillary documents, within thirty (30) days after receipt by Franchisee of a copy of Franchisor’s then-current Disclosure Document.

5.1.3 The Successor Franchise Agreement shall supersede this Agreement in all respects, and Franchisee understands and acknowledges that the terms of such new agreement may differ from the terms of this Agreement, including, without limitation, higher or lower royalty and other fees.

5.1.4 If Franchisee fails to perform any of the acts, or deliver any of the notices required pursuant to this Article 5 in a timely fashion, such failure shall be deemed an election by Franchisee not to exercise Franchisee’s option to enter into the Successor Franchise Agreement, and such failure shall cause Franchisee’s right and option to automatically lapse and expire, without further notice by Franchisor.

5.1.5 Franchisee acknowledges that the initial Term of this Agreement provides Franchisee more than a sufficient opportunity to recoup Franchisee’s investment in the Franchise, as well as a reasonable return on such investment.

5.2 Conditions of Successor Agreement. Franchisee’s right to enter into a Successor Franchise Agreement is conditioned upon the following:

5.2.1 Franchisee shall be in full compliance with this Agreement and shall have materially performed Franchisee’s obligations under this Agreement, the Manual and under all other agreements that may be in effect between Franchisee and Franchisor, including but not limited to all monetary obligations;

5.2.2 Franchisee shall not have committed three (3) or more events constituting default during the Term of this Agreement, whether or not such defaults were cured;

5.2.3 Franchisee will have completed any required additional training to Franchisor’s reasonable satisfaction.

5.2.4 Franchisee performs such repairs, upgrades and replacements as Franchisor may require to cause the Franchised Business office premises, equipment, computer systems and other assets to conform to the then-current specifications for franchised businesses on the Successor Agreement date.

5.2.5 Franchisee shall execute a general release of all claims Franchisee may have against Satellite Teams Global, LLC, its parent, subsidiaries and affiliates, its officers, directors, shareholders, agents, and employees, whether in their corporate and/or individual capacities, in the form attached hereto as Attachment 4. This release will include all claims arising under any federal, state, or local law, rule, or ordinance.

5.2.6 Franchisee shall pay the required Successor Agreement Fee and sign the Successor Franchise Agreement.

5.3 Notice Required by Law. If applicable law requires Franchisor to give notice to Franchisee prior to the expiration of the Term, this Agreement shall remain in effect on a month-to-month basis until Franchisor has given the notice required by such applicable law. If Franchisor is not offering new Satellite Teams franchises, is in the process of revising, amending or renewing Franchisor's form of franchise agreement or disclosure document, or Franchisor is not lawfully able to offer Franchisee the then current form of Successor Franchise Agreement at the time Franchisee advises Franchisor pursuant to Section 5.1 hereof that Franchisee desires to enter into a new agreement, Franchisor may, in Franchisor's sole discretion, (i) offer to renew this Agreement upon the same terms set forth herein for the appropriate successor term or (ii) offer to extend the Term hereof on a month-to-month basis following the expiration of the Term for as long as Franchisor deems necessary or appropriate so that Franchisor may lawfully offer the then current form of Successor Franchise Agreement. Any timeframes specified in this Section 5.3 shall be inclusive of any state mandated notice periods.

5.4 Additional Reservation of Rights. Notwithstanding anything herein to the contrary, Franchisor reserves the right not to enter into a Successor Franchise Agreement for this Franchise as a result of a decision to withdraw from the geographic area in which Franchisee's Franchised Business is located.

## 6. PAYMENTS TO FRANCHISOR

6.1 Initial Franchise and Royalty Fees. As part of the consideration for the right to operate the Franchise granted herein, Franchisee shall pay to Franchisor the following fees:

6.1.1 Initial Franchise Fee. Franchisee acknowledges and agrees that the grant of this Franchise and the rights and obligations of the parties under this Agreement constitute the sole and only consideration for the initial franchise fee of Fifty-Five Thousand Dollars (\$55,000.00) (the "Initial Franchise Fee"). **The Initial Franchise Fee is fully earned at the time this Franchise Agreement is signed and is not refundable under any circumstances.** Franchisee shall pay the full amount of the Initial Franchise Fee to Franchisor upon Franchisee's execution of this Agreement.

6.1.2 Royalty Fees. Franchisee agrees to pay Franchisor the following royalty fees, subject to a minimum royalty fee of Fifty Dollars (\$50) per placement per month (collectively "Royalty Fees"):

6.1.2.1 Recruitment Royalty Fee. Franchisee agrees to pay Franchisor, monthly throughout the Term, a royalty fee equal to ten percent (10%) of the prior month's Gross Margin realized from Recruitment Fees ("Recruitment Royalty Fee"). "Recruitment Fees" mean fees collected from Clients when Candidates are successfully placed in a position.

6.1.2.2 Recurring Royalty Fee. Franchisee agrees to pay Franchisor, monthly throughout the Term, a royalty fee equal to ten percent (10%) of the prior month's Gross Margin realized from Recurring Fees ("Recurring Royalty Fee"). "Recurring Fees" mean fees collected from Clients for the provision of ongoing services related to Candidates who have been placed and retained by the Client.

6.1.2.3 Add-On Royalty Fee. Franchisee agrees to pay Franchisor, monthly throughout the Term, a royalty fee equal to ten percent (10%) of the prior month's Gross Margin realized from Add-On Fees ("Add-On Royalty Fee"). "Add-On Fees" mean fees collected from Clients for supplementary services provided to Candidates beyond the standard offerings included in Recruitment Fees and Recurring Fees.

"Gross Margin" is defined as Gross Revenue less taxes and direct costs associated with providing services, including but not limited to expenses directly attributable to the provision of services, such as materials, labor, wire fees, and other specific costs necessary for service delivery. The term "Gross Revenue" means (i) all revenue received or receivable from Recruitment Fees, Recurring Fees, or Add-On Fees ("Client Payments"), and (ii) any other revenues and income from any source derived or received by

Franchisee from, through, by, or on account of the operation of the Franchised Business or made pursuant to the rights granted hereunder, including but not limited to, any and all other revenues received using Franchisor's trademarks, methods, operations and/or trade secrets whether received in cash, in services, in kind, from barter and/or exchange, on credit (whether or not payment is actually received) or otherwise. Gross Revenue excludes: (1) federal, state, or municipal sales, use, or service taxes collected from Clients and paid to the appropriate taxing authority; (2) proceeds from insurance, excluding business interruption insurance; and (3) proceeds from any civil forfeiture, condemnation, or seizure by government entities.

6.1.3 Revenue Reports. Franchisee shall, on or before the tenth (10<sup>th</sup>) business day of each calendar month, furnish Franchisor with (and/or Franchisor shall otherwise access to) a report showing Franchisee's Gross Revenue plus all taxes paid, by or through the Franchised Business and/or made pursuant to the rights granted hereunder during the immediately prior calendar month (the "Revenue Report"). The Revenue Report shall be in such form and shall contain such information as Franchisor may from time to time prescribe. At Franchisor's discretion, (i) Franchisee shall submit, or (ii) Franchisor may remotely access, the Revenue Report by an electronic transfer of data via the computer information systems ("Computer System") that Franchisor may require Franchisee use in the operation of the Franchised Business.

6.1.4 Method of Payment. Franchisee acknowledges that Client Payments shall be made through Franchisor's centralized payment processing systems that may be collected by Franchisor or its affiliates. On or before the tenth (10<sup>th</sup>) business day of each calendar month, Franchisor and/or its affiliate shall distribute to Franchisee the amount of Client Payments in the previous month, **less:** (i) the Royalty Fees, Brand Fund Contribution, Personnel Management Fee (defined in Section 6.2 below), and Technology and Support Fee due on Gross Margin, and any balance of direct costs that Franchisor incurs with candidates placed by Franchisee (inclusive, but not limited to salary, taxes, and benefit costs of such candidates), and (ii) any other sums due and payable to Franchisor pursuant to this Agreement (collectively, the "Distributed Balance").

In addition, Franchisee shall, together with the submission of the Revenue Report, pay Franchisor the Royalty Fees, and Brand Fund Contribution due with regard to all other revenues from the Franchised Business realized by Franchisee and paid by means other than the centralized payment processing systems maintained by Franchisor or Franchisor's affiliate. At Franchisor's option, Franchisor may collect these additional Royalty Fees and Brand Fund Contributions through deduction from the Distributed Balance. At Franchisor's request, Franchisee must execute documents that allow Franchisor to automatically take any sums due Franchisor, from business bank accounts via electronic funds transfers. Franchisee's failure to allow electronic funds transfers on an ongoing basis is a material breach of this Agreement. Franchisor reserves the right to modify the method of Client Payments and/or method and frequency of collection of the Royalty Fees, Brand Fund Contribution, Personnel Management Fee, Technology and Support Fee, reimbursement of fees paid by Franchisor or Franchisor's affiliate on Franchisee's behalf, or other sums payable pursuant to this Agreement upon forty-five (45) days' prior notice to Franchisee.

6.2 Technology and Support Fee. Franchisee shall pay Franchisor a technology and support fee, in an amount that Franchisor reasonably determines, for the development, adoption and/or use of new or improved technology systems for the benefit of the System and Franchised Business, including but not limited to, assigned phone numbers and email addresses required for use in the Franchised Business, a franchise portal, benchmarking platform, VOIP phone network, Zoom account, or other operations or communications systems ("Technology and Support Fee"). In Franchisor's sole discretion, Franchisor may (i) increase the amount of the Technology and Support Fee or (ii) replace systems with different technology, developed by Franchisor or a third-party, and Franchisee shall pay the then-current fees for the replacement systems and for continuous access thereto.

6.3 Late Fee. If any fee or report, including but not limited to, the Revenue Report or other financial report, is not received by Franchisor as and when required by this Agreement, Franchisee shall pay to Franchisor, in addition to any overdue amount, a late fee of One Hundred Fifty Dollars (\$150.00) for each week or fraction thereof that payment or report is not received. This late fee is reasonably related to

Franchisor's costs resulting from the delay in payment and/or receipt of any report, is not a penalty, and is in addition to any other remedy available to Franchisor under this Agreement for Franchisee's failure to pay fees or submit reports in accordance with the terms of this Agreement.

6.4 Interest. Any and all amounts that shall become due and owing from Franchisee to Franchisor under the terms hereof shall bear interest from the date due until paid at the rate of eighteen percent (18%) per annum or at the highest rate permitted by law, whichever is lower.

6.5 Non-Sufficient Funds Fee. In the event any of Franchisee's checks are returned, or an electronic funds transfer from Franchisee's bank account is denied, for insufficient funds, Franchisee shall pay Franchisor, in addition to the amount due, a non-sufficient funds fee of Fifty Dollars (\$50.00) per occurrence. This non-sufficient funds fee is reasonably related to Franchisor's costs resulting from the delayed and declined payment, is not a penalty, and is in addition to any other remedy available to Franchisor under this Agreement.

6.6 Taxes. If any withholding, sales, excise, use, privilege or other tax (excepting Franchisor's income tax obligation) ("Tax Charge") is imposed or levied by any government or governmental agency on Franchisor or Franchisee for any fee due and payable under this Agreement, including but not limited to, the Royalty Fees, any Additional Royalty, Technology and Support Fee, and/or Brand Fund Contribution (for the purpose of this Section 6.7, such fees shall be referred to as a "Taxable Payment"), then Franchisee shall pay Franchisor a sum equal to the amount of the Tax Charge, together with the Taxable Payment, such that the net sum received by Franchisor equals the amount of the Taxable Payment without deduction, withholding, payment or application of the Tax Charge.

## 7. TRAINING

7.1 Initial Training Program. Franchisee (specifically including all Franchisee's principals) shall attend and complete to Franchisor's sole and absolute satisfaction, Franchisor's initial training program ("Initial Training Program") no earlier than ten (10) days prior to the Opening Date, as defined in Article 8. The Initial Training Program consists of a course conducted in-person at a training site designated by Franchisor. Franchisee must at all times during the term of this Agreement have principals who have successfully completed the Initial Training Program to Franchisor's sole and complete satisfaction. No charge shall be made for up to two (2) individuals to take the Initial Training Program prior to opening the Franchised Business ("Initial Trainees"). Notwithstanding the foregoing, Franchisee shall be required to pay all of the expenses of the Initial Trainees, including, without limitation, costs of travel, lodging, meals and wages.

7.2 Satisfactory Completion. Franchisor shall determine, in Franchisor's sole discretion, whether the Initial Trainees have satisfactorily completed the Initial Training Program. If the Initial Training Program is not satisfactorily completed by the Initial Trainees, or if Franchisor, in Franchisor's reasonable business judgment based upon the performance of the Initial Trainees, determines that the Initial Training Program cannot be satisfactorily completed by Franchisee or Franchisee's Principal(s), Franchisor may terminate this Agreement.

7.3 Additional Training. Franchisor may offer mandatory and/or optional additional training programs from time to time, which may include in-person or virtual/online training. If required by Franchisor, Franchisee, or Franchisee's principals shall participate in the following additional training:

(i) on-going training for up to ten (10) days per year, at a location designated by Franchisor.

(ii) a national business meeting, annual convention, or conference for up to three (3) days per year, at a location designated by Franchisor.

Franchisor reserves the right to impose a reasonable fee for all additional training programs. Franchisee shall be responsible for any and all incidental expenses incurred by Franchisee or Franchisee's personnel

in connection with additional training or attendance at Franchisor's national business meeting or annual convention, including, without limitation, costs of travel, lodging, meals and wages. Franchisee's failure to attend and/or complete mandatory additional training or failure to attend Franchisor's national business meeting or annual convention is a default of this Agreement. Franchisee or Franchisee's principal(s) shall be required to obtain any missed mandatory additional training at a location Franchisor designates. Franchisee shall pay all costs and expenses for such additional training, including but not limited to, tuition at the then-current rate and any and all transportation, meals and lodging of Franchisee, Franchisee's principal and Franchisor's training personnel. Franchisee shall pay to Franchisor any incurred expenses by Franchisor's training personnel within ten (10) days of Franchisor's billing thereof to Franchisee.

7.4 On-Site Supplemental Training. Upon Franchisee's reasonable request or as Franchisor shall deem appropriate, Franchisor shall, during the term hereof, subject to the availability of personnel, provide Franchisee with additional trained representatives who shall provide on-site supplemental or remedial training and assistance to Franchisee's personnel at the Franchised Business location. For any additional on-site training and assistance, Franchisee shall pay the per diem fee then being charged to franchisees under the System for the services of such trained representatives, plus their costs of travel, lodging, and meals.

7.5 Counseling and Assistance. In addition to visits by Franchisor's trained representatives, as Franchisor deems appropriate, Franchisor shall, within reasonable limits and subject to the availability of Franchisor's personnel, upon Franchisee's request and at no charge, furnish consultation and assistance to Franchisee, either by telephone, video conference, electronic mail or postal service, as determined by Franchisor, in Franchisor's sole discretion, with respect to the operation of the Franchised Business, including consultation and advice regarding marketing, operational issues, instructional materials, bookkeeping and System improvements.

## **8. OPENING REQUIREMENTS**

8.1 Site Requirements. Franchisee is hereby permitted to operate the Franchised Business from a home-based office. Franchisee assumes all cost, liability, expense and responsibility for equipping and outfitting the home-based office or other site as outlined in the Operations Manual. The location of the office must receive prior written approval from the Franchisor.

8.2 Time to Open. Franchisee acknowledges that time is of the essence in this Agreement. Upon Franchisee's compliance with the conditions stated below, Franchisee shall open the Franchised Business, which shall be defined herein as the "Opening Date". Prior to the Opening Date, Franchisee shall (i) satisfactorily complete Franchisor's Initial Training Program, as further set forth in Article 7, (ii) outfit a home-based or other office site, (iii) obtain all required licenses and insurance to operate the Franchised Business, (iv) obtain all equipment Franchisor requires, including but not limited to, the Computer System, and other software and applications,; and (v) provide Franchisor with documentation for bank account(s) for use in the Franchised Business. If Franchisee fails to comply with any of such obligations, Franchisor shall have the right to prohibit Franchisee from opening for business. Franchisee's failure to open the Franchised Business and commence business (i) in accordance with the foregoing and (ii) within ninety (90) days following the date of this Agreement, unless otherwise extended by Franchisor, shall be deemed a material event of default under this Agreement.

## **9. SYSTEM IMPROVEMENTS.**

9.1 Equipment and Technology Updates. Franchisee shall maintain and make any and all repairs and upgrades to equipment, including but not limited to, the Computer System, payment processing systems, and other computer hardware, software, and applications, and any technology used in conjunction therewith, as Franchisor requires in its sole and absolute discretion.

## 9.2 Trade Dress Modifications.

9.2.1 Franchisee is aware that to maintain and improve the image and reputation of the System, Franchisor, in its sole and absolute discretion, may change and modify identifying elements of the System, including but not limited to, the adoption and use of new or modified color schemes, tag lines, logos or marks (collectively, "Trade Dress Modifications").

9.2.2 Franchisee shall, at Franchisee's sole expense, modify identifying elements of the Franchised Business, as required by Franchisor, but not more frequently than every five (5) years, to conform to Trade Dress Modifications. Notwithstanding the foregoing restriction on the frequency of Trade Dress Modifications, Franchisee, upon notice by Franchisor and in accordance with Section 14.6 hereof, shall immediately discontinue the use of any Mark that is no longer desirable or available to Franchisor and substitute a different Mark or Marks as Franchisor directs.

9.2.3 Franchisee will accept, use and display any such Trade Dress Modifications as if they were a part of this Franchise Agreement at the time of execution hereof.

9.3 No Liability/Waiver of Claims. Franchisor shall not be liable to Franchisee for any expenses, losses or damages sustained by Franchisee as a result of any of the modifications, including Trade Dress Modifications, required by this Article 9. Franchisee hereby covenants not to commence or join in any litigation or other proceeding against Franchisor or any third party, complaining of any such or seeking expenses, losses or damages caused thereby. Further, Franchisee expressly waives any claims, demands or damages arising from or related to the modifications contemplated by this Article 9, including, without limitation, any claim of breach of contract, breach of fiduciary duty, fraud, and/or breach of the implied covenant of good faith and fair dealing.

9.4 Franchisee Advisory Council. Franchisor reserves the right to create (and if created, the right to change or dissolve) a franchisee advisory council as a formal means for System franchisees to communicate ideas. In the event a franchisee advisory council is created, Franchisor may invite Franchisee to participate in council-related activities and meetings, which invitation may be based on a franchisee's level of success, superior performance and profitability.

## 10. **FRANCHISOR'S OBLIGATIONS**

Franchisor and/or its designated representative will provide the services described below:

10.1 Manual. Provide Franchisee access to the Confidential Operations Manual and such other manuals and written materials as Franchisor may hereafter develop for use by franchisees, as the same may be revised by Franchisor from time to time. Such documents may be provided electronically or via the Internet, at Franchisor's sole and absolute discretion.

10.2 Pre-Opening Requirements. Provide a written list of recruiter options, equipment, signage, supplies and products that will be required and/or recommended to open the Franchised Business for business.

10.3 Client Payments and Payroll. Invoice Franchisee's Clients for System goods and services provided or received, and distribute payments to Franchisee following deductions in accordance with Section 6.1.4 hereof. Process payroll functions for Candidates placed by Franchisee, including payroll processing, banking, and insurance coverages.

10.4 Advertising Materials. Provide samples or digital artwork of certain advertising and promotional materials and information that Franchisor may develop from time to time for use by Franchisee in marketing and conducting local advertising for the Franchised Business.

10.5 List of Supplies/Suppliers. Make available from time to time, and amend as deemed appropriate by Franchisor, a list of required and/or recommended products and services for System franchisees and a list of approved and/or recommended suppliers of such items. Franchisee acknowledges that Franchisor or Franchisor's affiliate(s) may be the sole approved supplier(s) of certain products and services that Franchisee is required to purchase to operate the Franchised Business.

10.6 Training. The training programs specified in Article 7 herein.

10.7 On-Going Assistance. Post-opening assistance in accordance with the provisions of Article 7.

10.8 Brand Fund. Administration of a Brand Fund in accordance with Section 13.3.

10.9 Telephone Numbers. Franchisor shall assign Franchisee a phone number for the Franchised Business, the charge of which is included in the Technology and Support Fee payable to Franchisor pursuant to Section 6.3. Franchisee acknowledges that Franchisor owns the phone number and Franchisee shall lose all rights to the phone number upon termination or expiration of this Agreement.

## 11. FRANCHISEE'S REPRESENTATIONS, WARRANTIES AND COVENANTS

11.1 Best Efforts. Franchisee, including each of Franchisee's Principal(s) covenants and agrees that he or she shall make all commercially reasonable efforts to operate the Franchised Business so as to achieve optimum sales.

11.2 Corporate Representations. If Franchisee is a corporation, partnership, limited liability company, or other legal entity, Franchisee and each Principal represent, warrant and covenant that:

11.2.1 Franchisee is duly organized and validly existing under the state law of its formation;

11.2.2 Franchisee is duly qualified and is authorized to do business in the jurisdiction of the Franchised Business location and the jurisdiction(s) where Franchisee conducts solicitation, sales and services;

11.2.3 Franchisee's organizational documents shall at all times provide that the activities of Franchisee are confined exclusively to the operation of the Franchise granted herein, unless otherwise consented to in writing by Franchisor, which consent may be withheld by Franchisor in Franchisor's sole discretion;

11.2.4 The execution of this Agreement and the consummation of the transactions contemplated hereby are within Franchisee's power and have been duly authorized by Franchisee;

11.2.5 Any financial statements and tax returns provided to Franchisor shall be certified as true, complete and correct and shall have been prepared in conformity with generally accepted accounting principles applicable to the respective periods involved and, except as expressly described in the applicable notes, applied on a consistent basis. No material liabilities, adverse claims, commitments or obligations of any nature exist as of the date of the statements or returns, whether accrued, unliquidated, absolute, contingent or otherwise, that are not reflected as liabilities.

11.3 Spouse Guaranty. If any Franchisee Principal is a married individual and the Principal's spouse has not executed this Agreement, such Principal shall cause his or her spouse to personally execute and bind himself or herself to the terms of a Guaranty, in the form attached as Attachment 5 hereof.

#### 11.4 Personal Management.

11.4.1 Franchisee and/or a Principal shall ensure proper supervision of and remain responsible for the operation of the Franchised Business. Franchisee may operate the Franchised Business part-time and is not required to personally supervise the Franchised Business, provided Franchisee appoints a qualified manager. Franchisee must obtain Franchisor's prior written consent for the appointment of such a manager. Franchisee accepts full responsibility for, and shall be fully liable to, Franchisor for the acts and omissions of any and all agents, employees or third persons working for or with Franchisee. Franchisee shall ensure that its agents, employees and all third-party business affiliates observe and adhere to all applicable terms, conditions and restrictions contained in this Agreement and in the Manual; including but not limited to quality and service standards, confidentiality, works made for hire, non-compete and the agreement to return all Franchisor proprietary and confidential information. Any breach of a term or condition contained in this Agreement by an agent, employee or third party working for Franchisee shall be deemed to be the same as a direct breach by Franchisee and its Principals; and Franchisor shall have all the same rights and remedies as if the breach occurred through the direct acts or omissions of the Franchisee and/or its named Principals. Franchisee's agents, employees and third-party business affiliates shall further meet all Franchisor's standards and criteria for such individual(s), as set forth in the Manual.

11.4.2 Franchisee shall promptly notify Franchisor when any employee, agent or third-party affiliate previously granted access to Franchisor's proprietary or confidential information ceases to be employed or affiliated with Franchisee, so that any and all access rights to Franchisor proprietary or confidential information may be terminated and all such materials returned to Franchisor. Any failure by Franchisee to comply with the requirements of this Section shall be deemed a material event of default under this Agreement.

11.4.3 If, at any time during this Agreement, Franchisee or Franchisee's approved manager can no longer personally supervise the Franchised Business in accordance with this Agreement, Franchisee shall promptly notify Franchisor and designate, with Franchisor's prior approval, a replacement manager within thirty (30) days after Franchisee or Franchisee's approved manager ceases to serve, such replacement being subject to the same qualifications required by this Agreement. Franchisee's replacement manager shall attend and satisfactorily complete Franchisor's Initial Training Program, at Franchisee's sole cost and expense, including the payment of the then-current tuition therefor. Franchisor, in Franchisor's sole discretion, may provide interim management support and charge Franchisee an interim management support fee, at the then-current rate, until an approved replacement manager is properly trained or certified in accordance with Franchisor's requirements. Payment of such interim management support fee, plus any and all costs of travel, lodging, meals and other expenses reasonably incurred by Franchisor, shall be withdrawn from Franchisee's designated bank account in accordance with Section 6.1.4.

11.5 Legal Compliance. Franchisee shall comply with all federal, state and local laws, rules and regulations and shall timely obtain any and all permits, certificates or licenses necessary for the full and proper conduct of the Franchised Business. Such laws, rules and regulations shall include, without limitation, licenses to do business, fictitious name registrations, sales and other tax permits, certificates or licenses required by any industry regulatory agency or association and any other requirement, rule, law or regulation of any federal, state or local jurisdiction.

11.6 Claims and Potential Claims. Franchisee shall notify Franchisor in writing within three (3) days of any incident or injury that could lead to, or the actual 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 in any way relating to or affecting the operation or financial condition of the Franchised Business. Any and all media inquiries concerning the Franchised Business or Franchised Business location, including, but not limited to, the business operation and incidents and occurrences related to a Client, Candidate, or employee, shall be referred to Franchisor. Neither Franchisee, Franchisee's

employees nor anyone on Franchisee's behalf may comment to any broadcast medium, except as directed by Franchisor.

11.7 Assignment of Numbers and Listings. If Franchisor requires, Franchisee shall execute all such forms and documents to appoint Franchisor its true and lawful attorney-in-fact, with full power and authority, for the sole purpose of assigning to Franchisor, Franchisee's telephone numbers, listings, and passwords and administrator rights for all email and social media accounts used or created by Franchisee. Upon the expiration or termination of this Agreement, Franchisor may exercise its authority, pursuant to such documents, to obtain any and all of Franchisee's rights to the telephone numbers of the Franchised Business and all related telephone directory listings and other business listings, and all Internet listings, domain names, Internet advertising, websites, listings with search engines, electronic mail addresses, social media, or any other similar listing or usages related to the Franchised Business.

11.8 Access to Tax Filings. Upon execution of this Agreement, and at any time thereafter upon Franchisor's request, Franchisee shall execute such forms and documents as Franchisor deems necessary, to appoint Franchisor its true and lawful attorney-in-fact with full power and authority, for the sole purpose of obtaining any and all returns and reports filed by Franchisee with any state or federal taxing authority.

11.9 Continuing Obligation. Franchisee and each Principal acknowledge and agree that the representations, warranties and covenants set forth in this Article 11 are continuing obligations of Franchisee and each Principal, as applicable, and that any failure to comply with such representations, warranties and covenants shall constitute a material event of default under this Agreement. Franchisee and each Principal shall cooperate with Franchisor in any efforts made by Franchisor to verify compliance with such representations, warranties and covenants.

## **12. FRANCHISEE'S OPERATIONS**

12.1 Operation of Franchised Business. In order to maintain the highest degree of quality and service on a uniform System-wide basis, Franchisee shall operate the Franchised Business in conformity with the methods, standards and specifications prescribed by Franchisor. Franchisee agrees to comply with the Manual, as it is modified from time to time, and all directives, rules and procedures specified by Franchisor, and will, among other things:

12.1.1 Procure the necessary licenses or permits to allow the operation of the Franchised Business and otherwise comply with all applicable governmental laws, ordinances, rules and regulations;

12.1.2 Conduct sales and solicit Clients and/or Candidates in accordance with Franchisor's standards and specifications. Franchisee acknowledges and accepts that Franchisee may only engage in providing placement services to end-users. Franchisee is expressly prohibited from selling services or products (i) that are not a part of the Satellite Teams System or that are not approved by Franchisor (ii) on the internet (except as part of System services in strict accordance with Franchisor's specifications). Engaging in such sales shall be a material default of this Agreement;

12.1.3 Use only the equipment, tools, products, and supplies that conform with Franchisor's specifications and/or which shall be purchased from only those vendors designated and approved by Franchisor. Franchisee acknowledges and agrees that: (i) Franchisor and/or Franchisor's affiliate may be a designated supplier or sole approved supplier of any product or service that Franchisee is required to lease or purchase, (ii) Franchisor and/or Franchisor's affiliate may receive payment from supplier(s) related to Franchisee's required purchases or leases, and (iii) any payments so received are for Franchisor's benefit only and may be used or applied in any manner determined by Franchisor in Franchisor's sole and absolute discretion;

12.1.4 If required for Franchisee's optimal operation, maintain in good working order, cleanliness and appearance, a vehicle for use in the Franchised Business. Franchisor reserves the right to set specifications and standards of condition, age and branding, as set forth in the Manual, of vehicles used in the Franchised Business.

12.1.5 Timely make all required payments to suppliers and other contractors and creditors of the Franchised Business in accordance with the applicable agreements and provide documentation thereof, as requested by Franchisor;

12.1.6 Employ only qualified individuals, who are trained in accordance with Franchisor's standards, including but not limited to the protection of Franchisor's confidential and proprietary information, and who will at all times enhance Franchisor's brand and conduct themselves in a competent and courteous manner in accordance with this Agreement and the image and reputation of the System. Franchisee shall use its best efforts to insure that Franchisee's employees maintain a neat and clean appearance and render competent and courteous service to Clients of the Franchised Business. Franchisee acknowledges and agrees that poorly trained employees, sloppy or unclean appearances and incompetent or discourteous service are extremely damaging to the goodwill of the System and the Marks and are a material default of this Agreement;

12.1.7 Permit Franchisor or its agents, to inspect the Franchised Business and any services, products or equipment, to determine whether they meet Franchisor's then-current standards, specifications and requirements. In addition to any other remedies Franchisor may have, Franchisee shall reimburse Franchisor for Franchisor's inspection costs of any item that does not conform to the System standards and specifications;

12.1.8 Prominently display identifying elements of the System of such nature, form, color, number, location and size, and containing such material, as Franchisor may from time to time reasonably direct or approve in writing; and to refrain from using any sign, advertising media or identifying element of any kind to which Franchisor reasonably objects, including signs and advertising media which have been outdated. Upon giving Franchisee notice of its objection to same or upon termination hereof, Franchisor may at any time enter upon the Franchised Business office location or elsewhere and remove any objectionable or non-approved sign, advertising media or identifying element and keep or destroy same without paying therefor or without being deemed guilty of trespass or any other tort; and

12.1.9 Conduct all advertising programs in a manner consistent with Franchisor's standards and specifications, in a manner satisfactory to Franchisor and that will not detract from the reputation of the System or the Marks.

12.1.10 Use Client Information to the extent necessary to perform obligations under this Agreement during the term hereof and subject to such restrictions as Franchisor may from time to time impose and in compliance with all data privacy, security, and other applicable laws. Client Information means any and all information, data, documentation, or other materials, whether recorded or not, that is directly or indirectly related to a prospective or current Client of the Franchised Business, including but not limited to (i) contact information (including name, physical address, email address, phone and other contact information), (ii) Client's accounts (including account numbers, login credentials, account balances, and any other information necessary to access or manage a Client's account), (iii) sales and payment history, (iv) communications, feedback, reviews, and service preferences, and (v) any other information, whether personally identifiable or anonymized, that could reasonably be used to identify or relate to a specific Client.

## 12.2 Bookkeeping and Reports.

12.2.1 Franchisee agrees to keep and maintain complete and accurate books and records of its transactions and business operations using the accounting procedures and chart of accounts specified by

Franchisor. Franchisee agrees to purchase the Computer Systems specified in Section 12.3 to maintain the records and accounts of the Franchisee to the standards of the Franchisor. Franchisee acknowledges and agrees that the financial data of Franchisee's Franchised Business (i) is owned by Franchisor, (ii) is Franchisor's Proprietary Information, and (iii) may be published in franchise disclosure document(s) issued by Franchisor following the Effective Date hereof.

12.2.2 Within fifteen (15) days after the close of each calendar quarter and within ninety (90) days after the close of each fiscal year, or as Franchisor requires, Franchisee will furnish Franchisor a full and complete written statement of income and expense and a profit and loss statement for the operation of the Franchised Business during said period, together with a balance sheet for the Franchised Business, all of which shall be prepared in accordance with generally accepted accounting principles and practice. Franchisee's annual statements and balance sheets shall be prepared by an independent certified public accountant and certified to be correct.

12.2.3 The financial statements required hereunder shall be in such form and contain such information as Franchisor may from time to time reasonably designate. Franchisee must maintain complete financial records for the Franchised Business for at least five (5) years from their date of preparation.

12.2.4 Franchisor reserves the right to require Franchisee to engage the services of a third-party accounting services firm, designated and approved by Franchisor, in the event that (i) Franchisee fails to keep books and records in accordance with Franchisor's standards or (ii) Franchisor, in its sole discretion, determines that use of a third-party accounting services firm by all System franchisees is beneficial to the System.

12.2.5 Franchisor shall have the right at all reasonable times to examine, at its expense, Franchisee's books, records, and tax returns. If Franchisor's examination finds an understatement of any Sales Report, Franchisee shall pay Franchisor the amounts due together with interest thereon at the rate provided herein. Additionally, if Franchisee (i) had failed to timely submit Sales Reports twice or more within a twelve (12)-month period or (ii) understated Gross Sales by two percent (2%) or more, Franchisee shall reimburse Franchisor for the cost of such examination. Such understatement may be considered a material default hereunder. Two (2) such understatements during the term of this Agreement may, at the option of Franchisor, be considered an incurable default and thereby subject to termination as provided herein.

### 12.3 Computer Systems.

12.3.1 Franchisee, at Franchisee's sole expense, shall install and maintain the Computer System and other computer hardware, software, applications and accounts Franchisor requires for the operation of the Franchised Business and shall follow the procedures related thereto that Franchisor specifies in the Manual or otherwise in writing.

12.3.2 Franchisor may require Franchisee, at Franchisee's sole expense, to install and maintain systems and payment processing and bookkeeping accounts that permit Franchisor to independently and electronically access and retrieve any information stored in Franchisee's Computer System and accounts, including, without limitation, information concerning Gross Sales. Upon Franchisor's request, Franchisee shall execute such documents as Franchisor deems necessary to permit Franchisor to independently and electronically access and retrieve all information stored on Franchisee's Computer System, other systems and payment processing and bookkeeping accounts.

12.3.3 Any and all data, including data regarding Clients and Candidates, collected or provided by Franchisee, retrieved from Franchisee's Computer System, or otherwise collected from Franchisee by Franchisor or provided to Franchisor, is and will be owned exclusively by Franchisor and will be considered to be Franchisor's proprietary and Confidential Information. Franchisor has the right to use such data in any manner without compensation to Franchisee. Franchisor licenses to Franchisee the use of such data solely for the purpose of operating the Franchised Business; provided that, this license shall automatically

and irrevocably terminate, without any additional action or notice required by Franchisor, upon the expiration or earlier termination of this Agreement.

12.3.4 Franchisee shall have and maintain adequate hardware and software in order to access the Internet at the speed required by Franchisor from time to time. Franchisee shall utilize the electronic mail account provided by Franchisor. Franchisee shall promptly read and respond to all electronic mail related to the Franchised Business no less often than on a daily basis and shall accept and acknowledge receipt of all electronic mail sent by Franchisor. Franchisee shall not establish any website or other listing on the Internet except as provided and specifically permitted herein.

12.3.5 Franchisor has established a website that provides information about the System and the services and products offered thereby (the "Website"). Franchisor has sole discretion and control over the Website. Franchisee has no ownership or other proprietary rights in or to Franchisor's Website(s).

12.3.6 In addition to Franchisee's obligation pursuant to Section 6.6 hereof, Franchisee shall pay all other fees, whether to Franchisor or to third party vendor(s), and expenses for technology required by this Agreement, including but not limited to, the costs of computer hardware and software, regularly recurring fees for software and Internet access, license fees, help desk fees, and any other licensing or user-based fees for operations or communications hardware, software, programs and applications.

12.3.7 Franchisee is solely responsible for maintaining the security and integrity of the Computer System and payment processing systems used in the Franchised Business and the Client, Candidate, and other data stored therein. Franchisee, at Franchisee's sole cost and expense, shall implement all computer hardware, software and Internet security procedures, including required updates or upgrades thereto, that are reasonably necessary to protect Franchisee's computer and payment processing systems and the data stored therein from viruses, malware, privacy breaches or other unauthorized access.

12.4 Employment Standards. Franchisee shall conduct a background review of every prospective employee's criminal history and any other histories as set forth in the Manual and that Franchisee determines to be necessary and appropriate, prior to hiring. Notwithstanding the foregoing, all matters of employment are within Franchisee's discretion and control. Franchisor shall not be liable to Franchisee, any employee or prospective employee of Franchisee, or any third party for any act or omission of Franchisee or any employee or agent of Franchisee, and Franchisee's indemnification obligations set forth in Section 15.6 hereof shall apply to any claims, demands or actions against Franchisor arising from any act or omission of Franchisee or any employee or agent of Franchisee (including, without limitation, refusal to hire or discrimination claims or claims asserted by third parties for torts allegedly committed by any employee or agent of Franchisee).

12.5 Prices. Franchisor shall use Franchisor's proprietary algorithms to set Client Payments. Franchisor may set minimum and maximum prices for other services or products offered by the Franchised Business. Franchisee acknowledges that Franchisor has made no guarantee or warranty that offering recruitment, recurring, add-on services or other services or products at any particular rate or price will enhance Franchisee's sales or profits.

12.6 Unapproved Item/Suppliers. If Franchisee desires to purchase, lease or use any unapproved equipment, product, or service or to purchase, lease or use any equipment, product or service from an unapproved supplier, Franchisee shall submit to Franchisor a written request for such approval prior to utilizing such product, service or supplier. Franchisee shall not purchase or lease any item or use any supplier until and unless such item or supplier has been approved in writing by Franchisor. Franchisor shall have the right to require that its representatives be permitted to inspect the supplier's facilities and to test or otherwise evaluate samples from the supplier. Franchisor reserves the right to charge Franchisee a fee equal to the actual cost and expense for inspection and testing. Franchisor shall notify Franchisee in writing of an approval of the proposed item or supplier within ninety (90) days after Franchisor receives all required

information to evaluate the product, service or supplier; or, if no approval notice is received, the product, service or supplier is deemed “unapproved”. Franchisor reserves the right, at its option, to re-inspect from time to time the facilities and products of any such approved supplier and to revoke its approval upon the supplier’s failure to continue to meet any of Franchisor’s then-current criteria. Nothing in the foregoing shall be construed to require Franchisor to approve any particular item or supplier.

12.7 External Quality Assurance Services. Franchisor reserves the right to establish quality assurance programs conducted by third-party providers, including, but not limited to, satisfaction surveys and periodic quality assurance audits (“Quality Review Services”). Upon Franchisor’s request and at Franchisee’s sole cost and expense, Franchisee shall subscribe, to any such third-party provider for Quality Review Services to monitor the operations of the Franchised Business as directed by Franchisor.

12.8 Variations in Standards. Notwithstanding anything to the contrary contained in this Agreement and this Section 12 in particular, Franchisee acknowledges and agrees that because complete and detailed uniformity under many varying conditions may not be possible or practical, Franchisor specifically reserves the right and privilege, at its sole discretion and as it may deem in the best interests of all concerned in any specific instance, to vary performance standards for some franchisees based upon the peculiarities and characteristics of the particular site or circumstance, business potential, existing business practices or any other condition which Franchisor deems to be of importance to the successful operation of such particular franchise business. Franchisor has full rights to vary standard specifications and practices for any other franchisee at any time without giving Franchisee comparable rights. Franchisee shall not be entitled to require Franchisor to disclose or grant to Franchisee a like or similar variation.

12.9 Exclusive Service Agreement. As part of the support and service obligations of this Agreement, Franchisor has the right to require that Franchisee enter into a Exclusive Service Agreement with a service provider who may be Franchisor, its affiliate, or other third-parties in Franchisor’s sole discretion during the Term and any renewal Term of this Agreement or any successive agreement.

### **13. ADVERTISING, PROMOTIONS AND RELATED FEES**

13.1 Advertising Programs. Franchisor may from time to time develop and administer advertising and sales promotion programs designed to promote and enhance the collective success of all Franchised Businesses operating under the System. Franchisee, at Franchisee’s sole expense, shall participate in all such advertising and sales promotion programs in accordance with the terms and conditions established by Franchisor from time to time for each program. In all aspects of these programs, including, without limitation, the potential and intended recipient(s), type, quantity, timing, placement and choice of media, market areas and advertising agencies, the standards and specifications established by Franchisor, as modified from time to time, shall be final and binding upon Franchisee.

#### 13.2 Local Advertising.

13.2.1 Except as specified in Section 13.2.3 below, Franchisor does not currently require Franchisee to meet a minimum spend for local marketing for the Franchised Business. Franchisor reserves the right to establish a minimum local marketing spend requirement in the future, upon providing reasonable notice to Franchisee. In the event, Franchisor requires Local Advertising expenditures, Franchisee shall conduct all Local Advertising in accordance with Franchisor’s requirements and using marketing materials approved by Franchisor, as set forth in Section 13.5 hereof (“Local Advertising”).

13.2.2 Within ten (10) business days of Franchisor’s request, Franchisee shall provide a quarterly expenditure report accurately reflecting Franchisee’s Local Advertising expenditures for the preceding quarterly period. The following costs and expenditures incurred by Franchisee shall *not* be included in Franchisee’s expenditures on Local Advertising for purposes of this Section, unless approved in advance by Franchisor in writing: (i) incentive programs for employees or agents of Franchisee; (ii) research

expenditures; (iii) salaries and expenses of any of Franchisee's personnel to attend advertising meetings, workshops or other marketing activities; (iv) charitable, political or other contributions or donations.

13.2.3 Franchisee shall spend a minimum of Five Thousand Dollars (\$5,000.00) on Local Advertising and promotional activities within ninety (90) following the Effective Date hereof to promote the opening of the Franchised Business. Franchisee shall conduct Franchisee's grand opening campaign in accordance with plans approved by Franchisor pursuant to Section 13.5.

### 13.3 Brand Fund.

13.3.1 Franchisor has established a national Brand Fund (the "Brand Fund") on behalf of the System for national advertising, marketing, and business system development and enhancements. Franchisee is required to make a monthly brand fund contribution ("Brand Fund Contribution") equal to five percent (5%) of Franchisee's Gross Margin of (i) Recruitment Fees, (ii) Recurring Fees, and (iii) Add-on Fees. Payments will be made in the same manner and at the same time as the Royalty Fees, in accordance with Section 6.1.4 hereof.

13.3.2 Franchisor shall direct all advertising and marketing programs and shall have sole discretion to approve or disapprove the creative concepts, materials and media used in such programs and the placement and allocation thereof. Franchisee agrees and acknowledges that the Brand Fund is intended to maximize general public recognition and acceptance of the Marks and enhance the collective success of all Franchised Businesses operating under the System.

13.3.3 Franchisor may, but has no obligation to, contribute to the Brand Fund on the same basis as Franchisee with respect to Satellite Teams outlets operated by Franchisor or Franchisor's affiliates.

13.3.4 Franchisor may use the Brand Fund to satisfy any and all costs of developing, preparing, producing, directing, administering, conducting, maintaining and disseminating advertising, marketing, promotional and public relations materials, programs, campaigns, sales and marketing seminars and training programs of every kind and nature, through media now existing or hereafter developed (including, without limitation, the cost of television, radio, magazine, social media, newspaper and electronic advertising campaigns; direct mail and outdoor billboard advertising; public relations activities; conducting marketing research, employing advertising agencies to assist therein; developing, enhancing and maintaining the Website, social media platforms, apps, and other technology for the benefit of the Brand image and/or Systemwide improvements; and staff salaries and other personnel and departmental costs for advertising that Franchisor internally administers or prepares). While Franchisor does not intend that any part of the Brand Fund will be used for advertising which is principally a solicitation for franchisees, Franchisor reserves the right to use the Brand Fund for public relations, to explain the franchise system, and/or to include a notation in any advertisement indicating "Franchises Available."

13.3.5 The Brand Fund will be operated solely as a conduit for collecting and expending the brand development contributions for the System. The Brand Fund will not be used to defray any of Franchisor's general operating expenses, except for reasonable administrative costs, staff salaries of Brand Fund personnel and overhead that Franchisor may incur in activities related to the administration and direction of the Brand Fund and such costs and expenses pursuant Section 13.3.3. The Brand Fund and its earnings shall not otherwise inure to Franchisor's benefit.

13.3.6 At Franchisee's request, Franchisor will prepare an unaudited annual statement of the Brand Fund's operations and will make it available to Franchisee. In administering the Brand Fund, Franchisor undertakes no obligation to make expenditures for Franchisee that are equivalent or proportionate to Franchisee's contribution or to ensure that any particular franchisee benefits directly or pro rata from the production or placement of advertising.

13.3.7 Although the Brand Fund is intended to be of perpetual duration, Franchisor may terminate it at any time and for any reason or no reason. Franchisor will not terminate the Brand Fund, however, until all monies in the Brand Fund have been spent for brand development or promotional purposes or returned to contributors, without interest, on the basis of their respective contributions.

13.4 Directory Listings. At Franchisee's sole cost and expense, Franchisee must list the Franchised Business in local business directories, including, but not limited to, listings on Internet search engines. If feasible, and with Franchisor's prior written approval, Franchisee may do cooperative listings with other System franchisees. Notwithstanding the foregoing, Franchisee may not maintain any business profile on Facebook, Twitter, LinkedIn, YouTube or any other social media and/or networking site without Franchisor's prior written approval and in strict accordance with Franchisor's requirements.

13.5 Approval of Advertising. All advertising and promotion by Franchisee, in any medium, shall be conducted in a professional manner, shall conform to the standards and requirements of Franchisor as set forth in the Manual or otherwise, and shall be pre-approved by Franchisor. Franchisee shall submit to Franchisor for its approval samples of all advertising, press releases, promotional plans and materials and public relations programs that Franchisee desires to use, including, without limitation, any materials in digital, electronic or computerized form, or in any form of media now or hereafter developed that have not been either provided or previously approved by Franchisor. Franchisor shall approve or disapprove such plans and materials within ten (10) business days of Franchisor's receipt thereof. If Franchisor fails to respond to Franchisee's submission within ten (10) business days, such plans and materials shall be deemed "disapproved". Franchisee shall not use such unapproved plans or materials until they have been approved by Franchisor in writing, and shall promptly discontinue use of any advertising or promotional plans or materials, whether or not previously approved, upon notice from Franchisor. Any advertising, marketing or sales concepts, programs or materials proposed or developed by Franchisee for the Satellite Team brand and approved by Franchisor may be used by other System franchisees without any compensation to Franchisee.

## **14. INTELLECTUAL PROPERTY**

### **14.1 Ownership**

14.1.1 Franchisee expressly understands and acknowledges that Franchisor's affiliate or its successor ("Licensor") is the record owner of the Marks. Franchisor holds the exclusive right to license the Marks to franchisees of the System for use pursuant to the System. Franchisee further expressly understands and acknowledges that Franchisor and/or Licensor claims copyrights and other proprietary rights on certain material used in the System, including but not limited to the Website, documents, advertisements, promotional materials and the Manual, whether or not Franchisor has filed for copyrights thereto with the U.S. Copyright Office. The Marks and copyrights, along with Franchisor's trade secrets, service marks, trade dress and confidential and proprietary information, materials and systems are hereafter collectively referred to as the "Intellectual Property".

14.1.2 As between Franchisor and Franchisee, Licensor and Franchisor are the owner of all right, title and interest in and to the Intellectual Property and the goodwill associated with and symbolized by them.

14.2 No Interference. Neither Franchisee nor any Principal shall take any action that would prejudice or interfere with the validity of Franchisor's or Licensor's rights with respect to the Intellectual Property. Nothing in this Agreement shall give the Franchisee any right, title, or interest in or to any of the Intellectual Property or any of Franchisor's or Licensor's service marks, trademarks, trade names, trade dress, logos, copyrights or proprietary materials, except the right to use the Intellectual Property and the System in accordance with the terms and conditions of this Agreement for the operation of a Franchised Business and only in approved advertising related to the Franchised Business.

14.3 Goodwill. Franchisee understands and agrees that any and all goodwill arising from Franchisee's use of the Intellectual Property and the System shall inure solely and exclusively to the benefit of Franchisor and Licensor, and upon expiration or termination of this Agreement and the license herein granted, no monetary amount shall be assigned as attributable to any goodwill associated with Franchisee's use of the Intellectual Property.

14.4 Validity. Franchisee shall not contest the validity of, or Franchisor's or Licensor's interest in, the Intellectual Property or assist others to contest the validity of, or Franchisor's or Licensor's interest in, the Intellectual Property.

14.5 Infringement. Franchisee acknowledges that any unauthorized use of the Intellectual Property shall constitute an infringement of Franchisor's or Licensor's rights in the Intellectual Property and a material event of default hereunder. Franchisee shall provide Franchisor or Licensor with all assignments, affidavits, documents, information and assistance Franchisor or Licensor reasonably requests to fully vest in Franchisor or Licensor all such rights, title and interest in and to the Intellectual Property, including all such items as are reasonably requested by Franchisor or Licensor to register, maintain and enforce such rights in the Intellectual Property.

14.6 Substitution. Franchisor reserves the right to substitute different Marks for use in identifying the System and the Franchised Business, if it in its sole discretion, determines that substitution of different Marks will be beneficial to the System. Franchisor will not be liable to Franchisee for any expenses, losses or damages sustained by as a result of any additions, modifications, substitutions or discontinuation of the Marks. Franchisee covenants not to commence or join in any litigation or other proceeding against Franchisor for any of these expenses, losses or damages.

14.7 Franchisee's Use of the Intellectual Property. With respect to Franchisee's use of the Intellectual Property pursuant to this Agreement, Franchisee further agrees that:

14.7.1 Unless otherwise authorized or required by Franchisor, Franchisee shall advertise the Franchised Business only under the Marks "Satellite Teams" and design. Franchisee shall not use the Marks, or any portions, variations, or derivatives thereof, as part of its corporate or other legal name. All fictitious names used by Franchisee shall bear the designation "a franchisee of Satellite Teams Global, LLC".

14.7.2 Franchisee shall identify itself as the owner of the Franchised Business and as an independent Satellite Teams franchisee in conjunction with any use of the Intellectual Property, including, but not limited to, uses on invoices, order forms, receipts, and contracts.

14.7.3 Franchisee shall not use the Intellectual Property to incur any obligation or indebtedness on behalf of Franchisor.

14.7.4 Any item offered by Franchisee that contains the Marks, must be approved by Franchisor in writing prior to being distributed or sold by Franchisee and such approval may be granted or denied in Franchisor's sole and absolute discretion.

14.7.5 Franchisee shall not use the Intellectual Property in association with the offer or sale of any product or service that is outside of the System or that is not approved by Franchisor.

14.8 Claims. Franchisee shall notify Franchisor immediately via both email and telephone, of any apparent infringement of or challenge to Franchisee's use of any Intellectual Property and of any claim by any person of any rights in any Intellectual Property. Franchisee shall not communicate with any person other than Franchisor or any designated affiliate thereof, their counsel and Franchisee's counsel in connection with any such infringement, challenge, or claim. Franchisor shall have complete discretion to

take such action as it deems appropriate in connection with the foregoing, and the right to control exclusively, or to delegate control to any of its affiliates of, any settlement, litigation or other proceeding arising out of any such alleged infringement, challenge or claim or otherwise relating to any Intellectual Property. Franchisee agrees to execute any and all instruments and documents, render such assistance, and do such acts or things as may, in the opinion of Franchisor, reasonably be necessary or advisable to protect and maintain the interests of Franchisor or any other person or entity in any litigation or other proceeding or to otherwise protect and maintain the interests of Franchisor or any other interested party in the Intellectual Property. Franchisor will indemnify and defend Franchisee against and reimburse Franchisee for actual damages (including settlement amounts) for which Franchisee is held liable in any proceeding arising out of Franchisee's use of any of the Intellectual Property that infringes on the rights of any other party, provided that the conduct of Franchisee with respect to such proceeding and use of the Intellectual Property is in full compliance with the terms of this Agreement.

14.9 License to Others. Franchisor may use and grant franchises and licenses to others to use the Intellectual Property and the System and to establish, develop and franchise other systems, different from the System licensed to Franchisee herein, without offering or providing Franchisee any rights in, to or under such other systems and Franchisor may modify or change, in whole or in part, any aspect of the Intellectual Property or the System, so long as Franchisee's rights thereto are in no way materially harmed thereby.

14.10 Registration Prohibited. Franchisee shall not register or attempt to register the Intellectual Property in Franchisee's name or that of any other person, firm, entity, or corporation.

## 15. INSURANCE AND INDEMNIFICATION

15.1 Procurement. Franchisee shall procure, prior to the commencement of any operations under this Agreement, and thereafter maintain in full force and effect during the term of this Agreement at Franchisee's sole cost and expense and to Franchisor's sole satisfaction, insurance policies protecting Franchisee and Franchisor, and naming Franchisor, its officers, directors, partners, owners, employees and affiliates as additional insureds as their interests may appear, in the following minimum limits (except as additional coverage and higher policy limits may reasonably be specified from time to time in the Manual or otherwise in writing):

15.1.1 Liability. Commercial general liability insurance, including contractual liability, public liability, personal injury, products liability, advertising injury, and environmental damage coverage in the amounts of at least Two Million Dollars (\$2,000,000) in the aggregate and One Million Dollars (\$1,000,000) per occurrence;

15.1.2 Automobile Insurance. Prior to operation of any vehicle on behalf of the Franchised Business, Franchisee must obtain comprehensive commercial and hired/non-owned automobile liability insurance in the recommended amount of at least a combined single limit for bodily and property damage of One Million Dollars (\$1,000,000.00), or greater if required by state law;

15.1.3 Employment. At all times when Franchisee has any employees, worker's compensation coverage in the limits required by state law, not less than One Million Dollars (\$1,000,000.00). In addition, Franchisee shall obtain and maintain employment practices liability insurance (EPLI) covering claims related to discrimination, wrongful termination, harassment, and other employment-related matters, with coverage limits of not less than Two Hundred and Fifty Thousand Dollars (\$250,000.00). may be required by statute or rule of the state in which the Franchised Business is located and operated;

15.1.4 Cyber Liability Insurance. Franchisee shall maintain cyber liability insurance in a minimum amount of One Million Dollars (\$1,000,000.00), covering liabilities resulting from data breaches, privacy violations, data loss, network security failures, and related cyber events or intrusions affecting client, employee, or system data of the Franchised Business; and

15.1.5 Umbrella Insurance of not less than One Million Dollars (\$1,000,000.00).

15.2 Evidence of Insurance. Franchisee shall deliver to, and maintain at all times with Franchisor, current Certificates of Insurance evidencing the existence and continuation of the required coverages. In addition, if requested by Franchisor, Franchisee shall deliver to Franchisor a copy of the insurance policy or policies required hereunder.

15.3 Failure to Procure. If, for any reason, Franchisee should fail to procure or maintain the insurance required by this Agreement as revised from time to time for all franchisees by the Manual or otherwise in writing, Franchisor shall have the right and authority (without, however, any obligation) to immediately procure such insurance and to charge Franchisee for the cost thereof together with an administrative fee of ten percent (10%) for Franchisor's expenses in so acting, including all attorneys' fees. Franchisee shall pay Franchisor immediately upon notice by Franchisor to Franchisee that Franchisor has undertaken such action and the cost thereof.

15.4 Increase in Coverage. The levels and types of insurance stated herein are minimum requirements. Franchisor reserves the right to raise the required minimum requirements for any type of insurance or add additional types of insurance requirements as Franchisor deems reasonably prudent to require. Within thirty (30) days of any such required new limits or types of coverage, Franchisee must submit proof to Franchisor of Franchisee's coverage pursuant to Franchisor's requirements.

15.5 Additional Insured. All required insurance policies shall name Franchisor and their affiliates and their members, officers, agents and employees as additional insureds as their interests may appear, on a primary, noncontributory basis, and shall contain a waiver of rights of subrogation against Franchisor. All public liability policies shall contain a provision that the additional insureds, although named as insureds, shall nevertheless be entitled to recover under such policies on any loss caused by Franchisee or Franchisee's servants, agents or employees.

15.6 Indemnification. TO THE FULLEST EXTENT PERMITTED BY LAW, FRANCHISEE AGREES TO EXONERATE AND INDEMNIFY AND HOLD HARMLESS SATELLITE TEAMS GLOBAL, LLC, SATELLITE TEAMS, LLC, AND ANY OF THEIR PARENT COMPANY, SUBSIDIARIES, DIVISIONS, AFFILIATES, SUCCESSORS, ASSIGNS AND DESIGNEES AS WELL AS THEIR DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, SHAREHOLDERS, SUCCESSORS, DESIGNEES AND REPRESENTATIVES (COLLECTIVELY REFERRED TO AS THE "FRANCHISOR PARTY INDEMNITEES"), FROM ALL CLAIMS BASED UPON, ARISING OUT OF, OR IN ANY WAY RELATED TO THE OPERATION, CONDITION, OR ANY PART OF FRANCHISEE'S SATELLITE TEAMS FRANCHISE; THE SERVICES OR PRODUCTS OFFERED THEREBY; AND THE FRANCHISED BUSINESS OFFICE LOCATION, WHETHER CAUSED BY FRANCHISEE, FRANCHISEE'S AGENTS OR EMPLOYEES, OR ARISING FROM FRANCHISEE'S ADVERTISING OR BUSINESS PRACTICES. FRANCHISEE AGREES TO PAY FOR ALL OF THE FRANCHISOR PARTY INDEMNITEES' LOSSES, EXPENSES (INCLUDING, BUT NOT LIMITED TO ATTORNEYS' FEES) OR CONCURRENT OR CONTRIBUTING LIABILITY INCURRED IN CONNECTION WITH ANY ACTION, SUIT, PROCEEDING, INQUIRY (REGARDLESS OF WHETHER THE SAME IS REDUCED TO JUDGMENT OR DETERMINATION), OR ANY SETTLEMENT THEREOF FOR THE INDEMNIFICATION GRANTED BY FRANCHISEE HEREUNDER. THE FRANCHISOR PARTY INDEMNITEES SHALL HAVE THE RIGHT TO SELECT AND APPOINT INDEPENDENT COUNSEL TO REPRESENT ANY OF THE FRANCHISOR PARTY INDEMNITEES IN ANY ACTION OR PROCEEDING COVERED BY THIS INDEMNITY. FRANCHISEE AGREES THAT TO HOLD THE FRANCHISOR PARTY INDEMNITEES HARMLESS, FRANCHISEE WILL REIMBURSE THE FRANCHISOR PARTY INDEMNITEES AS THE COSTS AND EXPENSES ARE INCURRED BY THE FRANCHISOR PARTY INDEMNITEES.

## 16. TRANSFERS

### 16.1 Transfers by Franchisor.

16.1.1 Franchisor shall have the right to assign this Agreement, and all of Franchisor's rights and privileges hereunder, to any person, firm, corporation or other entity, without Franchisee's permission or prior knowledge, provided that, with respect to any assignment resulting in the subsequent performance by the assignee of Franchisor's obligations, the assignee shall expressly assume and agree to perform Franchisor's obligations hereunder. Specifically, and without limitation to the foregoing, Franchisee expressly affirms and agrees that Franchisor may: (i) sell Franchisor's assets and Franchisor's rights to the Marks and the System outright to a third party; (ii) engage in a public or private placement of some or all of Franchisor's securities; (iii) merge, acquire other corporations, or be acquired by another corporation, including competitors; (iv) undertake a refinancing, recapitalization, leveraged buy-out or other economic or financial restructuring; and (v) with regard to any or all of the above sales, assignments and dispositions, Franchisee expressly and specifically waives any claims, demands or damages arising from or relating to the loss of association with or identification of Franchisor. Nothing contained in this Agreement shall require Franchisor to remain in the business franchised herein or to offer the same products and services, whether or not bearing the Marks, in the event that Franchisor exercises its prerogative hereunder to assign Franchisor's rights in this Agreement.

16.1.2 Franchisee agrees that Franchisor has the right, now or in the future, to purchase, merge, acquire or affiliate with an existing competitive or non-competitive franchise network, chain or any other business regardless of the location of that chain's or business' facilities, and to operate, franchise or license those businesses and/or facilities operating under the Marks or any other marks following Franchisor's purchase, merger, acquisition or affiliation, regardless of the location of the facilities (which Franchisee acknowledges may be within the geographic area, proximate thereto, or proximate to any of Franchisee's locations).

16.1.3 If Franchisor assigns its rights in this Agreement, nothing herein shall be deemed to require Franchisor to remain in the placement or recruitment services business or to offer or sell any products or services to Franchisee.

16.2 Restrictions on Transfers by Franchisee. Franchisee's rights and duties under this Agreement are personal to Franchisee as it is organized and with the Principal(s) of the business as they exist on the date of execution of this Agreement, and Franchisor has made this Agreement with Franchisee in reliance on Franchisor's perceptions of the individual and collective character, skill, aptitude, attitude, business ability, and financial capacity of Franchisee. Thus, no transfer, as hereafter defined, may be made without Franchisor's prior written approval. Franchisor may void any transfer made without such approval.

16.3 Transfers by Franchisee. Franchisee shall not directly or indirectly sell, assign, transfer, give, devise, convey or encumber this Agreement or any right or interest herein or hereunder (a "Transfer"), the Franchise, the Franchised Business or any assets thereof (except in the ordinary course of business) or suffer or permit any such assignment, transfer, or encumbrance to occur by operation of law unless it first obtains the written consent of Franchisor. A transfer of any stock in the Franchisee if it is a corporation or a transfer of any ownership rights in Franchisee if it is a partnership, a limited liability company or limited partnership shall be considered a Transfer restricted hereunder. If Franchisee has complied fully with this Agreement and subject to Franchisor's Right of First Refusal set forth in Section 16.6, Franchisor will not unreasonably withhold its consent of a Transfer that meets the following requirements:

16.3.1 The proposed transferee and all its principals must have the demeanor, and be individuals of good character, and otherwise meet Franchisor's then-applicable standards for franchisees.

16.3.2 The transferee must have sufficient business experience, aptitude and financial resources to operate the Franchised Business and to comply with this Agreement;

16.3.3 The transferee has agreed to complete Franchisor's Initial Training Program to Franchisor's satisfaction;

16.3.4 Franchisee has paid all amounts owed to Franchisor and third-party creditors;

16.3.5 The transferee has executed Franchisor's then-standard form of Franchise Agreement and Exclusive Service Agreement which may have terms and conditions different from this Agreement, except that the transferee shall not be required to pay the Initial Franchise Fee;

16.3.6 Franchisee and the transferee and each of Franchisee's and the transferee's Principals shall have executed a general release under seal, in a form satisfactory to Franchisor, of any and all claims against Franchisor and Franchisor's officers, directors, shareholders, members and employees in their corporate and individual capacities, including, without limitation, claims arising under federal, state and local laws, rules and ordinances. Franchisee will agree to subordinate any claims Franchisee may have against the transferee to Franchisor, and indemnify Franchisor against any claims by the transferee relating to misrepresentations in the transfer process, specifically excluding those representations made by Franchisor in the Franchise Disclosure Document given to the transferee;

16.3.7 Franchisor has granted written approval of the material terms and conditions of the Transfer, including, without limitation, that the price and terms of payment will not adversely affect the Franchised Business's operation. However, Franchisor's approval of a Transfer is not in any way a representation or warranty of the transferee's success or the soundness of transferee's decision to purchase the Franchise on such terms and conditions. Franchisee shall provide Franchisor all proposed transfer documents for Franchisor's review at least thirty (30) days prior to a closing of the proposed Transfer;

16.3.8 If Franchisee or any Principal finances any part of the sale price of the Transfer, Franchisee or its Principal have agreed that all obligations of the transferee under any notes, agreements or security interests to Franchisee or its Principal will be subordinate to the transferee's obligations to Franchisor;

16.3.9 If transferee was introduced to Franchisee through Franchisor's third-party referral source, then Franchisee shall pay Franchisor a fee equal to the third-party's fee at the time any additional Transfer Fees are paid to Franchisor ("Seller Assistance Fee"). Payment of the required Seller Assistance Fee shall be a condition to any Transfer, and Franchisor shall pass such Seller Assistance Fee to the applicable third-party referral source. The Seller Assistance Fee is due and payable by Franchisee even if transferee does not sign Franchisor's then-current franchise agreement, sign the transfer agreement, or become part of the Satellite Teams system; and

16.4 Transfer Fee. As a condition to any Transfer, Franchisee shall pay Franchisor a transfer fee equal to seventy-five percent (75%) of the then-current initial franchise fee; provided however, (i) for transfers to an existing franchisee in good standing with Franchisor, the transfer fee is fifty percent (50%) of the then-current initial franchise fee, and (ii) for transfers to an entity, for purposes of convenience, or of ownership interest among existing shareholders or members, or to add a new shareholder or member of the Franchisee entity, and such transfer does not change management control of the Franchisee entity, the transfer fee is Two Thousand Dollars (\$2,000.00).

16.5 Entity Formation Documents. The By-Laws of a corporation or Operating Agreement of a limited liability company of a Franchisee that is an entity must state that (i) the issuance and assignment of any interest in Franchisee are restricted by this Article 16; (ii) Franchisee may conduct no business except the operation of a Franchised Business pursuant to the terms of this Agreement; (iii) transfers of interests in

Franchisee are subject to the terms of this Agreement governing transfers; and (iv) stock or member certificates will contain a legend so indicating.

#### 16.6 Franchisor 's Right of First Refusal.

16.6.1 If Franchisee wishes to transfer all or part of its interest in the Franchised Business or this Agreement or if a Principal wishes to transfer any ownership interest in Franchisee, pursuant to any bona fide offer to purchase such interest, then Franchisee or such Principal shall promptly notify Franchisor in writing of each such offer, and shall provide such information and documentation relating to the offer as Franchisor may require.

16.6.2 Franchisor has the right, exercisable by written notice to Franchisee within thirty (30) days after receipt of written notification and copies of all documentation required by Franchisor describing such offer, to buy the interest in this Agreement and the Franchised Business or the Principal's interest in Franchisee for the price and on the terms and conditions contained in the offer, subject to Section 16.6.3.

16.6.3 Franchisee further agrees, in the event Franchisor exercises its right of first refusal, notwithstanding anything to the contrary contained in the offer, that (i) Franchisor may substitute cash for any other form of consideration contained in the offer; (ii) at Franchisor 's option, Franchisor may pay the entire purchase price at closing; (iii) Franchisor 's credit will be deemed equal to the credit of any proposed transferee; (iv) Franchisor will have up to ninety (90) days to close the purchase; and (v) Franchisor will be entitled to receive from the Franchisee all customary representations and warranties given by a seller of the assets of a business or equity interest in an entity, as applicable.

16.6.4 If Franchisor does not exercise its right to buy within thirty (30) days, Franchisee may thereafter transfer the interest to the transferee on terms no more favorable than those disclosed to Franchisor, provided that such transfer is subject to Franchisor's prior written approval pursuant to Section 16.3 hereof. However, if (i) the sale to the transferee is not completed within ninety (90) days after the offer is given to Franchisor or (ii) there is any material change in the terms of the offer, the offer will again be subject to Franchisor's right of first refusal.

16.7 Death or Permanent Disability. The grant of rights under this Agreement is personal to Franchisee, and on the death or permanent disability of Franchisee or any of Franchisee's Principals, the executor, administrator, conservator or other personal representative of Franchisee or Principal, as the case may be, shall be required to transfer Franchisee's or Principal's interest in this Agreement within three (3) months from the date of death or permanent disability, to a third party approved by Franchisor. Failure to transfer in accordance with the forgoing will constitute a material default and the Franchise granted by this Agreement will terminate. A transfer under this Section 16.7, including without limitation, transfer by devise or inheritance, is subject to the conditions for Transfers in this Article 16 and unless transferred by gift, devise or inheritance, subject to the terms of Section 16.6 above. For purposes of this Agreement, the term "permanent disability" means a mental or physical disability, impairment or condition that is reasonably expected to prevent or actually does prevent such person from providing continuous and material supervision of the operation of Franchisee's Franchised Business during the six (6)-month period from its onset.

Immediately after the death or permanent disability of such person, or while the Franchise is owned by an executor, administrator, guardian, personal representative or trustee of that person, the Franchised Business shall be supervised by an interim successor manager satisfactory to Franchisor, or Franchisor, in its sole discretion, may provide interim management at Franchisor's then-current rates during the term of interim management, plus all travel related and other expenses, pending transfer of the Franchise to the deceased or disabled individual's lawful heirs or successors.

16.8 Effect of Consent to Transfer. Franchisor's consent to a Transfer will not waive any claims Franchisor may have against the Franchisee or any Franchisee's Principal(s) nor waive its right to demand that the transferee comply strictly with this Agreement.

16.9 Security Interests to Lender. If Franchisee is in full compliance with this Agreement, Franchisee may pledge or give a security interest in Franchisee's interest in the Assets and the Franchised Business to a lender of the funds needed by Franchisee for Franchisee's initial investment, provided that the security interest is subordinate to Franchisee's obligations to Franchisor, that a foreclosure on such a pledge or security interest and/or any Transfer resulting from such a foreclosure shall be subject to all provisions of this Agreement, and that Franchisee obtains from the lender a written acknowledgement to Franchisor of these restrictions. Notwithstanding the foregoing, in the event Franchisee seeks and/or obtains financing whereby funding is provided with the assistance of the United States Small Business Administration ("SBA Financing"), Franchisee shall be permitted to grant the lender of such SBA Financing a senior lien on any Collateral Franchisee uses to secure the SBA Financing, and Franchisor and Franchisee further agree that (i) the provisions of Attachment 6 are fully incorporated herein and applicable to Franchisor and Franchisee, (ii) Franchisor shall subordinate its security interest or other lien on Franchisee's Collateral to that of the lender of the SBA Financing and (iii) Franchisor waives the requirement of the written acknowledgement referenced in this Section.

## 17. DEFAULTS

17.1 Default and Automatic Termination. Franchisee shall be deemed to be in material default under this Agreement, and all rights granted herein shall automatically terminate without notice to Franchisee, if Franchisee shall become insolvent or makes a general assignment for the benefit of creditors; or if Franchisee files a voluntary petition under any section or chapter of federal bankruptcy law or under any similar law or statute of the United States or any state thereof, or admits in writing its inability to pay its debts when due; or if Franchisee is adjudicated a bankrupt or insolvent in proceedings filed against Franchisee under any section or chapter of federal bankruptcy laws or under any similar law or statute of the United States or any state; or if a bill in equity or other proceeding for the appointment of a receiver of Franchisee or other custodian for Franchisee's business or assets is filed and consented to by Franchisee; or if a receiver or other custodian (permanent or temporary) of Franchisee's assets or property, or any part thereof, is appointed by any court of competent jurisdiction; or if proceedings for a composition with creditors under any state or federal law should be instituted by or against Franchisee; or if a final judgment remains unsatisfied or of record for thirty (30) days or longer (unless supersedeas bond is filed); or if Franchisee is dissolved; or if execution is levied against Franchisee's business or property; or if suit to foreclose any lien or mortgage against the Franchised Business premises or equipment is instituted against Franchisee and not dismissed within thirty (30) days.

17.2 Defaults with No Opportunity to Cure. Franchisee shall be deemed to be in material default and Franchisor may, at its option, terminate this Agreement and all rights granted hereunder, without affording Franchisee any opportunity to cure the default, effective immediately upon notice to Franchisee, if Franchisee, or any Principal, as the case may be:

17.2.1 fails to obtain all required licenses and permits before opening or open the Franchised Business within the time and in the manner specified in Article 8.

17.2.2 falsifies any report required to be furnished Franchisor hereunder;

17.2.3 ceases to operate the Franchised Business for a period of three (3) days or more;

17.2.4 fails to comply with any federal, state or local law, rule or regulation, applicable to the operation of the Franchised Business, including, but not limited to, the failure to pay taxes;

17.2.5 understates Gross Sales on two (2) occasions or more, whether or not cured on any or all of those occasions;

17.2.6 fails to comply with the covenants in Article 15;

17.2.7 permits a Transfer in violation of the provisions of Article 16 of this Agreement;

17.2.8 fails, or Franchisee's legal representative fails, to transfer the interests in this Franchise Agreement and the Franchised Business upon death or permanent disability of Franchisee or any Principal of Franchisee as required by Section 16.7.

17.2.9 has misrepresented or omitted material facts in applying for the Franchise;

17.2.10 is convicted of, or pleads no contest to, a felony or to a crime that could damage the goodwill associated with the Marks or does anything to harm the reputation of the System or the goodwill associated with the Marks;

17.2.11 receives an adverse judgment or a consent decree in any case or proceeding involving allegations of fraud, racketeering, unfair or improper trade practices or similar claim which is likely to have an adverse effect on the System, or the Marks, the goodwill associated therewith or Franchisor's interest therein, in Franchisor's sole opinion;

17.2.12 conceals revenues, knowingly maintains false books or records, or knowingly submits any false reports;

17.2.13 creates a threat or danger to public health or safety from operation of the Franchised Business;

17.2.14 refuses to permit Franchisor to inspect or audit Franchisee's books or records;

17.2.15 makes any unauthorized use of the Marks or copyrighted material or any unauthorized use or disclosure of Confidential Information (as defined in Section 19.2);

17.2.16 fails to comply with the non-competition covenants in Section 19.5;

17.2.17 defaults in the performance of Franchisee's obligations under this Agreement three (3) or more times during the term of this Agreement or has been given at least two (2) notices of default in any consecutive twelve (12)-month period, whether or not the defaults have been corrected;

17.2.18 has insufficient funds to honor a check or electronic funds transfer two (2) or more times within any consecutive twelve (12)-month period;

17.2.19 defaults, or an affiliate of Franchisee defaults, under any other agreement, including any other franchise agreement, with Franchisor or any of its affiliates, or suppliers and does not cure such default within the time period provided in such other agreement;

17.2.20 offers or uses any unauthorized and unapproved products or services;

17.2.21 fails to meet Minimum Performance Standards; or

17.2.22 terminates this Agreement without cause.

17.3 Curable Defaults. Franchisee shall be deemed to be in material default and Franchisor may, at its option, terminate this Agreement and all rights granted hereunder, if Franchisee fails to cure the default within the time period set forth in this Section 17.3, effective immediately upon notice to Franchisee, if Franchisee, or any Principal, as the case may be:

17.3.1 fails to pay when due any amounts due to Franchisor under this Agreement or any related agreement and does not correct the failure within five (5) days after written notice; provided, however, Franchisor has no obligation to give written notice of a late payment more than two (2) times in any twelve (12)-month period, and the third such late payment in any twelve (12)-month period shall be a non-curable default under Sections 17.2.17 and/or 17.2.18;

17.3.2 fails to perform any non-monetary obligation imposed by this Agreement (excepting those defaults of obligations set forth in Sections 17.1 and 17.2 for which there is no opportunity to cure) and such default shall continue for five (5) days after Franchisor has given written notice of such default, or if the default cannot be reasonably corrected within said five (5)-day period, then if it is not corrected within such additional time as may be reasonably required assuming Franchisee proceeds diligently to cure; provided, however, Franchisor has no obligation to give written notice of a non-monetary default more than two (2) times in any twelve (12)-month period, and the third such default, whether monetary or non-monetary, in any twelve (12) - month period shall be a non-curable default under Section 17.2.17.

17.4 Franchisor's Cure of Franchisee's Defaults. In the event of a default by Franchisee, in addition to Franchisor's right to terminate the Franchise Agreement, and not in lieu thereof, Franchisor may, but has no obligation to:

17.4.1 effect a cure on Franchisee's behalf and at Franchisee's expense, and Franchisee shall immediately pay Franchisor the costs incurred by Franchisor upon demand; or

17.4.2 exercise complete authority with respect to the operation of the Franchise Business until such time as Franchisor determines that the default of Franchisee has been cured and that Franchisee is complying with the requirements of this Agreement. Franchisee specifically agrees that a designated representative of Franchisor may take over, control and operate the Franchised Business. In addition to all other fees paid under this Agreement, Franchisee shall pay Franchisor at Franchisor's then-current rates for interim management, plus all travel related and other expenses, during Franchisor's operation thereof as compensation therefor. Further, Franchisee shall reimburse Franchisor for the full compensation paid to such representative including the cost of all fringe benefits plus all travel expenses, lodging, meals and other expenses reasonably incurred by such representative until the default has been cured and Franchisee is complying with the terms of this Agreement.

17.5 Notice to Suppliers. In the event of a default by Franchisee, in addition to Franchisor's right to terminate the Franchise Agreement, and not in lieu thereof, Franchisor reserves the right with five (5) days' prior written notice to Franchisee, to direct suppliers to stop furnishing any and all products and supplies, including, but not limited to products sold under Franchisor's discounted pricing schedules, until such time as Franchisee's default is cured. In no event shall Franchisee have recourse against Franchisor for loss of revenue, client goodwill, profits or other business arising from Franchisor's actions and the actions of suppliers.

17.6 Reimbursement of Costs. Franchisee shall reimburse Franchisor all costs and expenses, including but not limited to attorney's fees, incurred by Franchisor as a result of Franchisee's default, including costs in connection with collection of any amounts owed to Franchisor and/or enforcement of Franchisor's rights under this Agreement.

## 18. POST-TERMINATION

18.1 Franchisee's Obligations. Upon termination or expiration of this Agreement, all rights and licenses granted hereunder to Franchisee shall immediately terminate and Franchisee and each Principal, if any, shall:

18.1.1 immediately cease to operate the Franchised Business, and shall not thereafter, directly or indirectly identify himself, herself or itself as a current or past Satellite Teams owner, franchisee or licensee;

18.1.2 immediately and permanently cease to use the Marks, any imitation of any Mark, Franchisor's copyrighted material or other intellectual property, confidential or proprietary material or indicia of the Franchised Business, or use any trade name, trade or service mark or other commercial symbol that suggests an association with Franchisor, Licensor, or the System. In particular, Franchisee shall cease to use, without limitation, all signs, billboards, advertising materials, displays, stationery, forms and any other articles, which display the Marks. Immediately return to the Franchisor any business cards, marketing materials, or any other items containing Marks;

18.1.3 take such action as may be necessary to cancel any assumed name or equivalent registration that contains the Mark or any other service mark or trademark of Franchisor, and Franchisee shall furnish Franchisor with evidence of compliance with this obligation which is satisfactory to Franchisor, within five (5) days after termination or expiration of this Agreement;

18.1.4 promptly pay all sums owing to Franchisor and its affiliates. Such sums shall include all damages, costs and expenses, including reasonable attorneys' fees, incurred by Franchisor as a result of any default by Franchisee. The payment obligation herein shall give rise to and remain, until paid in full, a lien in favor of Franchisor against any and all of the personal property, equipment, fixtures, and inventory owned by Franchisee at the time of default;

18.1.5 pay to Franchisor all damages, costs and expenses, including reasonable attorneys' fees, incurred by Franchisor in connection with obtaining any remedy available to Franchisor for any violation of this Agreement and, subsequent to the termination or expiration of this Agreement, in obtaining injunctive or other relief for the enforcement of any provisions of this Agreement that survive its termination;

18.1.6 immediately deliver at Franchisee's sole cost and expense, to Franchisor the Manual and all records, files, instructions, correspondence, invoices, agreements, all confidential, proprietary and copyrighted material and software, and all other materials related to operation of the Franchised Business, including but not limited to Client Information and lists, (all of which are acknowledged to be Franchisor's property), delete all electronic copies and retain no copy or record of any of the foregoing, except Franchisee's copy of this Agreement and of any correspondence between the parties and any other documents that Franchisee reasonably needs for compliance with any provision of law;

18.1.7 comply with the non-disclosure and non-competition covenants contained in Article 19; and

18.1.8 in the event this Agreement is terminated due to Franchisee's default, pay Franchisor a lump sum payment (as liquidated damages and not as a penalty) in an amount equal to: (a) the average monthly Royalty Fees, Additional Royalty Fees, if any, and Brand Fund Contribution payable by Franchisee over the twelve (12) month period immediately prior to the date of termination (or such shorter time period if the Franchised Business has been open less than twelve (12) months); (b) multiplied by the lesser of (i) thirty-six (36) months or (ii) the number of months then remaining in the then-current term of this Agreement. Franchisee acknowledges that a precise calculation of the full extent of the damages Franchisor will incur in the event of termination of this Agreement as a result of Franchisee's default is difficult to determine and that this lump sum payment is reasonable in light thereof. The liquidated damages payable by Franchisee pursuant to this Section 18.1.8 shall be in addition to all other amounts payable under this Agreement and shall not affect Franchisor's right to obtain appropriate injunctive relief and remedies pursuant to any other provision of this Agreement. The parties hereto acknowledge and agree that it would be impracticable to determine precisely the damages Franchisor would incur from this Agreement's

termination, loss of cash flow, the introduction of Franchisee to markets, and the training that has been provided to Franchisee. The liquidated damages provision only covers Franchisor's damages from the loss of cash flow from the Royalty Fees, Additional Royalty Fees, if any, and Brand Fund Contribution. It does not cover any other damages, including damages to its reputation with the public and damages arising from a violation of any provision of this Agreement.

18.1.9. Franchisee shall deliver to Franchisor within ten (10) days after termination or expiration a written certification, executed by Franchisee and any and all Principals, attesting that Franchisee has fully complied with the obligations set forth in Section 18.1, including the return and destruction of all confidential materials, the cessation of all competitive activity, and the transfer or cancellation of all communications assets as required under this Agreement.

## 18.2 Right to Purchase.

18.2.1 Franchisor shall have the option, to be exercised within sixty (60) days after termination or expiration of this Agreement, to purchase from Franchisee any or all of the furnishings, equipment (including the Computer System), signs, advertising materials, supplies, and inventory of Franchisee related to the operation of the Franchised Business, at Franchisee's cost or fair market value, whichever is less, and assume any and all relevant contracts related to the operation of the Franchised Business. Client Account Agreements are specifically excluded from this Section 18.2.1 Franchisor shall purchase Franchisee's assets free and clear of any liens, charges, encumbrances or security interests and Franchisor shall assume no liabilities whatsoever, unless otherwise agreed to in writing by the parties. If the parties cannot agree on the fair market value within sixty (60) days of Franchisor's exercise of its option, fair market value shall be determined by two (2) appraisers, with each party selecting one (1) appraiser, and the average of their determinations shall be binding. In the event of such appraisal, each party shall bear its own legal and other costs and shall split the appraisal fees equally. If Franchisor elects to exercise its option to purchase herein provided, it shall have the right to set off (i) all fees for any such independent appraiser due from Franchisee, (ii) all amounts due from Franchisee to Franchisor or any of its affiliates and (iii) any costs incurred in connection with any escrow arrangement (including reasonable legal fees), against any payment therefor and shall pay the remaining amount in cash. Closing of the purchase shall take place no later than thirty (30) days after determination of the fair market value.

18.2.2 With respect to the option described in Section 18.2.1, Franchisee shall deliver to Franchisor in a form satisfactory to Franchisor, such warranties, releases of lien, bills of sale, assignments and such other documents and instruments that Franchisor deems necessary in order to perfect Franchisor's title and possession in and to the assets being purchased or assigned and to meet the requirements of all tax and government authorities. If, at the time of closing, Franchisee has not obtained all of these certificates and other documents, Franchisor may, in its sole discretion, place the purchase price in escrow pending issuance of any required certificates or documents.

18.2.3 Franchisor shall be entitled to assign any and all of its option in Section 18.2.1 to any other party, without the consent of Franchisee.

18.3 Assignment of Communications. Franchisee, at the option of Franchisor, shall assign to Franchisor all rights to the telephone numbers of the Franchised Business and any related public directory listing or other business listings and execute all forms and documents required by Franchisor and any telephone company at any time, to transfer such service and numbers to Franchisor. Further, Franchisee shall assign to Franchisor any and all social media and internet listings, domain names, internet advertising, websites, listings with search engines, electronic mail addresses or any other similar listing or usage related to the Franchised Business. Notwithstanding any forms and documents that may have been executed by Franchisee under Section 11.7, Franchisee shall provide Franchisor with all passwords and administrative rights, and hereby appoints Franchisor its true and lawful agent and attorney-in-fact with full power and authority, for the sole purpose of taking such action as is necessary to complete such assignment. This

power of attorney shall survive the expiration or termination of this Agreement. Franchisee shall thereafter use different telephone numbers, electronic mail addresses or other listings or usages at or in connection with any subsequent business conducted by Franchisee.

18.4 Assignment of Master Service Agreements. In the event of termination, expiration, or non-renewal, Franchisee, at the option of Franchisor, shall assign to Franchisor or any of its affiliates, all rights to any or all SATELLITE TEAMS Master Service Agreements (“MSAs”) and execute all forms and documents required by Franchisor to effect the assignment. Franchisee hereby appoints Franchisor its true and lawful agent and attorney-in-fact with full power and authority, for the sole purpose of taking such action as is necessary to complete such assignment. This power of attorney shall survive the expiration or termination of this Agreement.

18.5. Survival. The rights and obligations of the parties contained in this Article 18 shall survive the expiration or sooner termination of this Agreement.

## **19. NON-DISCLOSURE AND NON-COMPETITION COVENANTS**

### **19.1 Operations Manual**

19.1.1 Franchisor has provided to Franchisee, on loan, a current copy of the Manual. The Manual may be in hard copy or made available to Franchisee in digital, electronic or computerized form or in some other form now existing or hereafter developed that would allow Franchisee to view the contents thereof. If the Manual (or any changes thereto) are provided in a form other than physical copy, Franchisee shall pay any and all costs to retrieve, review, use or access the Manual. To protect the reputation and goodwill of Franchisor and to maintain high standards of operation under Franchisor’s Marks, Franchisee shall operate all aspects of the Franchised Business in accordance with the Manual, as they may from time to time be modified by Franchisor, other written directives that Franchisor may issue to Franchisee from time to time, whether or not such directives are included in the Manual, and any other manual and materials created or approved for use in the operation of the Franchised Business.

19.1.2 Franchisee and any and all Principals shall at all times treat the Manual, written directives, and other materials and any other confidential communications or materials, and the information contained therein, as confidential and shall maintain such information as trade secret and confidential in accordance with this Article and this Agreement. Franchisee and Franchisee’s Principals, if any, shall not divulge and make such materials available to anyone other than those of Franchisee’s employees who require the information contained therein to operate the Franchised Business. Franchisee shall, prior to disclosure, fully train and inform its employees on all the restrictions, terms and conditions under which it is permitted to use Franchisor’s intellectual, proprietary and confidential information; and shall ensure its employees’ compliance with such restrictions, terms and conditions. Franchisee, Franchisee’s Principals, and any person working with Franchisee shall agree not, at any time to use, copy, duplicate, record or otherwise reproduce these materials, in whole or in part, or otherwise make the same available to any person other than those authorized above, without Franchisor’s prior written consent.

19.1.3 The Manual, written directives, and other materials and any other confidential communications provided or approved by Franchisor shall at all times remain the sole property of Franchisor. Franchisee shall maintain the Manual and all Franchisor’s confidential and proprietary materials at all times in a safe and secure location, shall take all reasonable measures to prevent unauthorized access thereto, whether any attempted unauthorized access takes the form of physical access or access via computer or telecommunications networks or otherwise, and shall report the theft or loss of the Manual, or any portion thereof, immediately to Franchisor. At a minimum, Franchisee shall, in the case of computer and telecommunications networks, use the latest available firewall, encryption and similar technology to prevent unauthorized access. Franchisee shall delete all electronic copies, and return and

cease using any physical copy of the Manual and other confidential and proprietary materials to Franchisor immediately upon request or upon transfer, termination or expiration of this Agreement.

19.1.4 Franchisor may from time to time revise the contents of the Manual and other materials created or approved for use in the operation of the Franchised Business. Franchisee expressly agrees to comply with each new or changed policy, standard or directive. In the event of any dispute as to the contents of the Manual, the terms of the master copy of the Manual maintained by Franchisor shall control.

19.1.5 If Franchisee loses, misplaces or otherwise requests a physical copy of the Manual, Franchisor, in its discretion, may provide such physical copy and Franchisee shall pay Franchisor the then-current replacement fee.

19.2 Confidential Information. Franchisee and Principal(s) acknowledge and accept that during the term of this Agreement, Franchisee and Principal(s) will have access to Franchisor's trade secrets, including, but not limited to, methods, processes, lists of current or prospective Clients (including Client Information), vendor partnerships and/or relationships, sales and technical information, financial information, costs, pricing formulae, equipment, technologies and procedures relating to the operation of the Franchised Business; the Manual; methods of advertising and promotion; curricula; instructional materials; and any other information which Franchisor may or may not specifically designate as "confidential" or "proprietary"; and the components of the System, whether or not such information is protected or protectable by patent, copyright, trade secret or other proprietary rights (collectively referred to herein as the "Confidential Information"). Confidential Information further consists of Franchisor's proprietary methods for client acquisition, candidate sourcing, and service delivery, including but not limited to: offshore recruitment channels, international labor market intelligence, candidate databases, internal compensation models, pricing algorithms, remote onboarding protocols, and Franchisor's operational infrastructure used to deliver outsourced employment services to Clients. Franchisee and Principal(s) covenant and agree that Franchisee and Principal(s) shall not, during the term of this Agreement and thereafter, communicate or divulge to, or use for the benefit of, any other person or entity, and, following the expiration or termination of this Agreement, shall not use for their own benefit, any Confidential Information that may be communicated to Franchisee or Principal(s) or of which Franchisee or Principal(s) may be apprised in connection with the operation of the Franchised Business under the terms of this Agreement. Franchisee and Principal(s) shall not divulge and make any Confidential Information available to anyone other than those of Franchisee's employees who require the Confidential Information to operate the Franchised Business and who have themselves entered into confidentiality and non-compete agreements containing the same provisions as contained in this Agreement, in accordance with Section 19.11 hereof. Franchisee and Principal(s) shall not at any time copy, duplicate, record or otherwise reproduce any Confidential Information, in whole or in part, or otherwise make the same available to any person other than those authorized above, without Franchisor's prior written consent. The covenants in this Section 19.2 shall survive the expiration, termination or transfer of this Agreement or any interest herein and shall be perpetually binding upon Franchisee and each Principal.

19.3 Protection of Information. Franchisee shall take all steps necessary, at Franchisee's own expense, to protect the Confidential Information and shall immediately notify Franchisor if Franchisee finds that any Confidential Information has been divulged in violation of this Agreement.

19.4 New Concepts. If Franchisee or Principal(s) develops any new concept, process, product, or improvement in the operation or promotion of the Franchised Business ("Improvements"), Franchisee is required to promptly notify Franchisor and provide Franchisor with all related information, processes, products, or other improvements, and sign any and all forms, documents and/or papers necessary for Franchisor to obtain full proprietary rights to such Improvements, without compensation and without any claim of ownership or proprietary rights to such Improvements. Franchisee and Principal(s) acknowledge that any such Improvements will become the property of Franchisor, and Franchisor may use or disclose such information to other franchisees as it determines to be appropriate. Franchisee acknowledges and

agrees that nothing in this Section 19.4 permits Franchisee to test, introduce, provide, or otherwise offer any Improvement to Clients, or use any Improvement in the operation of the Franchised Business, unless and until Franchisor consents to the use of the Improvement for such purpose.

**19.5 Noncompetition Covenants.** Franchisee and Principal(s) specifically acknowledge that, pursuant to this Agreement, Franchisee and Principal(s) will receive valuable training, trade secrets and Confidential Information of the System that are beyond the present knowledge, training and experience of Franchisee and Principal(s). Franchisee and Principal(s) acknowledge that such specialized training, trade secrets and Confidential Information provide a competitive advantage and will be valuable to them in the development and operation of the Franchised Business, and that gaining access to such specialized training, trade secrets and Confidential Information is, therefore, a primary reason why Franchisee and Principal(s) are entering into this Agreement. In consideration for such specialized training, trade secrets, Confidential Information and rights, Franchisee and Principal(s) covenant and agree that, except as otherwise approved in writing by Franchisor:

19.5.1 During the term of this Agreement, Franchisee and each Principal shall not, either directly or indirectly, for themselves or through, on behalf of, or in conjunction with, any person or entity (i) divert, or attempt to divert, any business, employee, independent contractor, Candidate, Client, vendor, referral source, or other similar third party of the Franchised Business or of other franchisees in the System to any competitor, by direct or indirect inducement, solicitation, encouragement, influence, recruitment, or otherwise or otherwise; (ii) participate as an owner, partner, director, officer, employee, consultant or agent or serve in any other capacity in any outsourced staffing, recruiting, personnel placement, or employment-related services involving remote workers, whether similar or dissimilar to the System (“Competitive Business”); or (iii) do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System or (iv) in any manner interfere with, disturb, disrupt, decrease or otherwise jeopardize the business of the Franchisor or any Satellite Teams franchisees or Franchisor-affiliated businesses. Competitive Business shall include, without limitation, any business providing or facilitating offshore virtual assistants, remote employees, independent contractors, or staffing solutions to businesses, whether under a traditional staffing model, a software-as-a-service model, a freelance platform, or any other delivery mechanism. The determination of whether a business is “Competitive” shall be made by Franchisor in its reasonable discretion based on the totality of the circumstances.

19.5.2 Upon the expiration or earlier termination of this Agreement or upon a Transfer and continuing for twenty-four (24) months thereafter, Franchisee and Principal(s) shall not, either directly or indirectly, for themselves or through, on behalf of or in conjunction with any person or entity (i) divert, or attempt to divert, any business, employee, independent contractor, Candidate, Client, vendor, referral source, or other similar third party of the Franchised Business or of other franchisees in the System to any competitor, by direct or indirect inducement, solicitation, encouragement, influence, recruitment, or otherwise; or (ii) participate as an owner, partner, director, officer, employee, consultant or agent or serve in any other capacity in any Competitive Business; or (iii) do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System; or (iv) in any manner interfere with, disturb, disrupt, decrease or otherwise jeopardize the business of the Franchisor or any Satellite Teams franchisees. The foregoing restrictions shall apply equally to any entity in which the Franchisee or any Principal holds a direct or indirect interest, serves as a director, officer, manager, advisor, consultant, or otherwise materially participates in or influences operations.

**19.6 Reasonableness of Restrictions.** Franchisee and Principal(s) acknowledges and agrees that the scope of the covenants not to compete set forth in this Agreement are fair and reasonable. The foregoing restrictions will not impose any undue hardship on Franchisee or Principal(s) due to the nationwide, internet-based reach of Franchisor and Franchisee’s business operations and the absence of territorial boundaries. Franchisee or Principal(s), as the case may be, have other considerable skills, experience and education which afford Franchisee or Principal(s), as the case may be, the opportunity to derive income from other endeavors.

19.7 Reduction of Time or Scope. If the period of time or the geographic scope specified above, should be adjudged unreasonable in any proceeding, then the period of time will be reduced by such number of months or the geographic scope will be reduced by the elimination of such portion thereof, or both, so that such restrictions may be enforced for such time and scope as are adjudged to be reasonable. In addition, Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in this Paragraph 19 or any portion thereof, without Franchisee's consent, effective immediately upon receipt by Franchisee of written notice thereof, and Franchisee agrees to forthwith comply with any covenant as so modified.

19.8 Injunctive Relief. Franchisee and Principal(s) acknowledge that a violation of the covenants of confidentiality and non-competition contained in this Agreement would result in immediate and irreparable injury to Franchisor for which monetary damages cannot fully remedy. Accordingly, Franchisee and Principal(s) hereby consent to the entry of a temporary and permanent injunction prohibiting any conduct by Franchisee or Principal(s) in violation of the terms of the covenants set forth in this Article 19 and hereby agree to waive any and all defenses to the entry of such injunction(s). Notwithstanding, Franchisee and Principal(s) acknowledge and agree that the foregoing injunctive relief is in addition to, and does not restrict Franchisor from pursuing, any and all claims for monetary damages resulting from a breach by Franchisee or Principal(s) of the covenants contained herein.

19.9 Liquidated Damages – Violation of Confidentiality or Non-Competition Covenants. In the event Franchisee and/or Principal(s) violate the covenants of confidentiality and/or non-competition set forth herein, Franchisee and/or Principal(s) shall pay Franchisor a lump sum payment (as liquidated damages and not as a penalty) an amount equal to One Hundred Thousand Dollars (\$100,000.00), plus Franchisor's attorney's fees, for each such violation. Franchisee and Principal(s) acknowledge that a precise calculation of the full extent of the damages that Franchisor will incur in the event of Franchisee's and/or Principal(s)' violation of the covenants of confidentiality and/or non-competition is difficult to determine and that this lump sum payment is reasonable in light thereof. The liquidated damages payable by Franchisee pursuant to this Section 19.9 shall be in addition to all other amounts payable under this Agreement and shall not affect Franchisor's right to obtain appropriate injunctive relief and remedies pursuant to any other provision hereof.

19.10 No Defense. Franchisee and Principal(s) expressly agree that the existence of any claims they may have against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Franchisor of the covenants in this Article 19.

19.11 Covenants of Employees, Agents, and Third Persons. Franchisee shall require and obtain execution of covenants similar to those set forth in this Article 19 (including covenants applicable upon the termination of a person's employment with Franchisee) from all employees, contractors or third persons who will have access to Franchisor's Confidential Information, and Franchisee shall provide Franchisor with executed versions thereof. Such covenants shall be substantially in the forms set forth in Attachment 7 as revised and updated from time to time and contained in the Manual. Franchisee shall indemnify and hold Franchisor harmless from any and all liability, loss, attorneys' fees, or damage Franchisor may suffer as a result of Franchisee's failure to obtain executed restricted covenants by employees, agents and third persons as required by this Section.

## **20. DISPUTE RESOLUTION**

20.1 Internal Dispute Resolution. Franchisee shall first bring any claim, controversy or dispute arising out of or relating to this Agreement, the Attachments hereto or the relationship created by this Agreement to Franchisor's president and/or chief executive officer for resolution. After providing notice as set forth in Section 21.7 below. Franchisee must exhaust this internal dispute resolution procedure before Franchisee may bring Franchisee's dispute before a third party. This agreement to first attempt resolution of disputes internally shall survive termination or expiration of this Agreement.

20.2 Mediation. At Franchisor's option, any claim, controversy or dispute that is not resolved pursuant to Section 20.1 hereof shall be submitted to non-binding mediation. Franchisee shall provide Franchisor with written notice of Franchisee's intent to pursue any unresolved claim, controversy or dispute, specifying in sufficient detail the nature thereof, prior to commencing any legal action. Franchisor shall have thirty (30) days following receipt of Franchisee's notice to exercise Franchisor's option to submit such claim, controversy or dispute to mediation. Mediation shall be conducted through a mediator or mediators in accordance with the American Arbitration Association Commercial Mediation Rules. Such mediation shall take place in the then-current location of Franchisor's corporate headquarters. The costs and expenses of mediation, including compensation and expenses of the mediator (and except for the attorney's fees incurred by either party), shall be borne by the parties equally. Franchisor may specifically enforce Franchisor's rights to mediation, as set forth herein.

### 20.3 Arbitration.

20.3.1 Except disputes not subject to alternative dispute resolution as set forth in Section 20.4, any dispute between Franchisor and Franchisee and/or any Principal arising out of or relating to this Agreement, the Attachments hereto or any breach thereof, including any claim that this Agreement or any of its parts, is invalid, illegal or otherwise voidable or void, which has not been resolved in accordance with Sections 20.1 or 20.2, will be resolved by submission to the American Arbitration Association or its successor organization to be settled by a single arbitrator in accordance with the Commercial Arbitration Rules then in effect for such Association or successor organization.

20.3.2 All issues relating to arbitrability or the enforcement of the agreement to arbitrate contained in this Article 20 will be governed by the Federal Arbitration Act (9 U.S.C. §1 *et seq.*) and the federal common law of arbitration. All hearings and other proceedings will take place in the jurisdiction where the principal place of business of Franchisor is then located.

20.3.3 This arbitration provision is self-executing and will remain in full force and effect after expiration or termination of this Agreement. Any arbitration will be conducted on an individual, and not a class-wide or multiple plaintiffs, basis. If either party fails to appear at any properly-noticed arbitration proceeding, an award may be entered against the party by default or otherwise, notwithstanding the failure to appear. Judgment upon an arbitration award may be entered in any court having jurisdiction and will be binding, final and not subject to appeal. No punitive or exemplary damages will be awarded against Franchisor, Franchisee, or entities related to either of them, in an arbitration proceeding or otherwise, and are hereby waived.

20.3.4 The provisions of this Section 20.3 are independent of any other covenant or provision of this Agreement; provided, however, that if a court of competent jurisdiction determines that any of the provisions are unlawful in any way, the court will modify or interpret the provisions to the minimum extent necessary to have them comply with the law.

20.3.5 In proceeding with arbitration and in making determinations hereunder, no arbitrator shall extend, modify or suspend any terms of this Agreement or the reasonable standards of business performance and operation established by Franchisor in good faith. No notice, request or demand for arbitration shall stay, postpone or rescind the effectiveness of any termination of this Agreement.

20.3.6 Except as expressly required by law, Franchisor, Franchisee and any Principal shall keep all aspects of any mediation and/or arbitration proceeding in confidence, and shall not disclose any information about the proceeding to any third party other than legal counsel who shall be required to maintain the confidentiality of such information.

20.4 Exceptions. Notwithstanding the requirements of Sections 20.2 or 20.3, the following claims shall not be subject to mediation or arbitration:

20.4.1 Franchisor's claims for injunctive or other extraordinary relief;

20.4.2 disputes and controversies arising from the Sherman Act, the Clayton Act or any other federal or state antitrust law;

20.4.3 disputes and controversies based upon or arising under the Lanham Act, as now or hereafter amended, relating to the ownership or validity of the Marks; and

20.4.4 enforcement of Franchisee's post-termination obligations, including but not limited to, Franchisee's non-competition covenants.

20.5 Governing Law and Venue. This Agreement is made in, and shall be substantially performed in, the Commonwealth of Puerto Rico. Any claims, controversies, disputes, or actions arising out of this Agreement shall be governed, enforced, and interpreted pursuant to the laws of the Commonwealth of Puerto Rico. Notwithstanding the foregoing, the parties expressly agree that Puerto Rico Law 75, known as the "Dealer's Contract Law," shall not apply to this Agreement unless its statutory application is independently met. The parties do not opt into the dealership termination statute, and its provisions shall not govern the terms or termination of this Agreement or any other agreement between Franchisor and Franchisee unless the conditions for its application are satisfied under Puerto Rico law. Franchisee and its Principal(s), except where specifically prohibited by law, hereby irrevocably submit themselves to the sole and exclusive jurisdiction of the state and federal courts in Puerto Rico. Franchisee and its Principal(s) hereby waive all questions of personal jurisdiction for the purpose of carrying out this provision.

20.6 Mutual Benefit. Franchisee, Principal(s), and Franchisor acknowledge that the parties' agreement regarding applicable state law and forum set forth in Section 20.5 provide each of the parties with the mutual benefit of uniform interpretation of this Agreement and any dispute arising hereunder. Each of Franchisee, Principal(s), and Franchisor further acknowledge the receipt and sufficiency of mutual consideration for such benefit and that each party's agreement regarding applicable state law and choice of forum have been negotiated in good faith and are part of the benefit of the bargain reflected by this Agreement.

20.7 Waiver of Certain Damages. Franchisee and Principal(s), if any, hereby waive, to the fullest extent permitted by law, any right to or claim for any punitive, exemplary, incidental, indirect, special, consequential or other damages (including, without limitation, loss of profits) against Franchisor, its affiliates, and their respective officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees, in their corporate and individual capacities, arising out of any cause whatsoever. Each of Franchisee and Principal(s), if any, agree that in the event of a dispute, Franchisee and each Principal shall be limited to the recovery of any actual damages sustained.

20.8 Limitations of Claims. Any and all claims asserted by Franchisee arising out of or relating to this Agreement or the relationship among the parties will be barred unless a proceeding for relief is commenced within one (1) year from the date on which Franchisee knew or should have known of the facts giving rise to such claims.

20.9 Survival. The provisions of this Article 20 shall continue in full force and effect notwithstanding the expiration or termination of this Agreement or a transfer by Franchisee or any Principal of their respective interests in this Agreement.

20.10 Prevailing Party. In the event of any action in law or equity by and between Franchisor and Franchisee concerning the operation, enforcement, construction or interpretation of this Agreement, the prevailing party in such action shall be entitled to recover reasonable attorney's fees and court costs incurred (including its reasonable costs and attorney's fees on any appeal). Should the losing party elect to appeal the decision, that party shall be required to post a bond in an amount sufficient to cover all potential costs

and damages that may be incurred by the prevailing party during the appeal process. The bond shall be posted within sixty (60) days of the filing of the notice of appeal and shall remain in effect until the conclusion of the appellate proceedings.

## **21. GENERAL**

### **21.1 Relationship of the Parties.**

21.1.1 Independent Licensee. Franchisee is and shall be an independent licensee under this Agreement, and no partnership shall exist between Franchisee and Franchisor. This Agreement does not constitute Franchisee as an agent, legal representative, or employee of Franchisor for any purpose whatsoever, and Franchisee is not granted any right or authority to assume or create any obligation for or on behalf of, or in the name of, or in any way to bind Franchisor. Franchisee agrees not to incur or contract any debt or obligation on behalf of Franchisor or commit any act, make any representation, or advertise in any manner which may adversely affect any right of Franchisor or be detrimental to Franchisor or other franchisees of Franchisor. Franchisor does not assume any liability, and will not be considered liable, for any agreements, representations, or warranties made by Franchisee which are not expressly authorized under this Agreement. Franchisor will not be obligated for any damages to any person or property which directly or indirectly arise from or relate to Franchisee operation of the Franchised Business. Pursuant to the above, Franchisee agrees to indemnify Franchisor and hold Franchisor harmless from any and all liability, loss, attorneys' fees, or damage Franchisor may suffer as a result of claims, demands, taxes, costs, or judgments against Franchisor arising out of any allegation of an agent, partner, or employment relationship.

21.1.2 No Relationship. Franchisee acknowledges and agrees that Franchisee alone exercises day-to-day control over all operations, activities, and elements of the Franchised Business, and that under no circumstance shall Franchisor do so or be deemed to do so. Franchisee further acknowledges and agrees, and will never claim otherwise, that the various restrictions, prohibitions, specifications, and procedures of the System which Franchisee is required to comply with under this Agreement, whether set forth in the Manual or otherwise, does not directly or indirectly constitute, suggest, infer or imply that Franchisor controls any aspect or element of the day-to-day operations of the Franchised Business, which Franchisee alone controls, but only constitute standards Franchisee must adhere to when exercising control of the day-to-day operations of the Franchised Business.

21.1.3 Franchisee's Employees. Franchisor has no authority to control, either directly or indirectly, the essential terms and conditions of employment of Franchisee's employees. Franchisee acknowledges and agrees that Franchisee, in Franchisee's sole and absolute discretion, shall determine all such essential terms and conditions of employment, which are defined in the Manual or otherwise defined by law. Franchisee specifically agrees that any training Franchisor provides for Franchisee's employees is geared to impart to those employees, with Franchisee's ultimate authority, the various procedures, protocols, systems, and operations of a Satellite Teams Franchise and in no fashion reflects any employment relationship between Franchisor and such employees. If ever it is asserted that Franchisor is the employer, joint employer or co-employer of any of Franchisee's employees in any private or government investigation, action, proceeding, arbitration or other setting, Franchisee irrevocably agrees to assist Franchisor in defending said allegation, appearing at any venue requested by Franchisor to testify on Franchisor's behalf, participate in depositions, other appearances or preparing affidavits rejecting any assertion that Franchisor is the employer, joint employer or co-employer of any of Franchisee's employees.

21.2 Successors. This Agreement shall bind and inure to the benefit of the successors and assigns of Franchisor and shall be personally binding on and inure to the benefit of Franchisee (including the individuals executing this Agreement on behalf of the Franchisee entity) and its or their respective heirs, executors, administrators and successors or assigns; provided, however, the foregoing provision shall not

be construed to allow a transfer of any interest of Franchisee or Principals, if any, in this Agreement or the Franchised Business, except in accordance with Article 16 hereof.

21.3 Invalidity of Part of Agreement. Should any provisions in this Agreement, for any reason, be declared invalid, then such provision shall be invalid only to the extent of the prohibition without in any way invalidating or altering any other provision of this Agreement.

21.4 Construction. All terms and words used in this Agreement, regardless of the number and gender in which they are used, shall be deemed, and construed to include any other number, singular or plural, and any other gender, masculine, feminine or neuter, as the context or sense of this Agreement or any provision herein may require, as if such words had been fully and properly written in the appropriate number and gender. All covenants, agreements and obligations assumed herein by Franchisee and any Principals shall be deemed to be joint and several covenants, agreements, and obligations of each of the persons named as Franchisee, if more than one person is so named.

21.5 Captions. Captions and section headings are used herein for convenience only. They are not part of this Agreement and shall not be used in construing it.

21.6 Notices. Whenever notice is required or permitted to be given under the terms of this Agreement, it shall be given in writing, and be delivered personally or by certified mail or courier, postage prepaid, addressed to the party for whom intended, and shall be deemed given on the date of delivery or delivery is refused. All such notices shall be addressed to the party to be notified at their respective addresses as set forth in the introductory paragraph of this Agreement, or at such other address or addresses as the parties may from time to time designate in writing.

21.7 Effect of Waivers. No waiver, delay, omission or forbearance on the part of Franchisor to exercise any right, option, duty or power arising from any default or breach by Franchisee shall affect or impair the rights of Franchisor with respect to any subsequent default of the same or of a different kind. Any use by Franchisee of the System or any part thereof in any manner other than as set forth in this Agreement shall not give Franchisee any rights not specifically granted hereunder. Failure to take action to stop such use shall not in any event be considered a waiver of the rights of Franchisor at any time to require Franchisee to restrict said use as strictly provided herein.

21.8 Remedies Cumulative. All rights and remedies of the parties to this Agreement shall be cumulative and not alternative, in addition to and not exclusive of any other rights or remedies that are provided for herein or that may be available at law or in equity in case of any breach, failure or default or threatened breach, failure or default of any term, provision or condition of this Agreement or any other agreement between Franchisee or any of its affiliates and Franchisor or any of its affiliates. The rights and remedies of the parties to this Agreement shall be continuing and shall not be exhausted by any one or more uses thereof, and may be exercised at any time or from time to time as often as may be expedient; and any option or election to enforce any such right or remedy may be exercised or taken at any time and from time to time. The expiration, earlier termination or exercise of Franchisor's rights pursuant to Articles 17 and 18 shall not discharge or release Franchisee or any Principal from any liability or obligation then accrued, or any liability or obligation continuing beyond, or arising out of, the expiration, the earlier termination or the exercise of such rights under this Agreement.

21.9 Consent to Do Business Electronically. The parties to the Franchise Agreement hereby consent to do business electronically. Pursuant to the Uniform Electronic Transactions Act as adopted by the Commonwealth of Puerto Rico, the parties hereby affirm to each other that they agree with the terms of the Franchise Agreement, and by attaching their digital signature, including any DocuSign signature, to the Franchise Agreement, they are executing the document and intending to attach their digital signature to it. Furthermore, the parties acknowledge that the other parties to the Franchise Agreement can rely on a digital signature, including a DocuSign signature, as the respective party's signature.

21.10 Counterparts. This Agreement may be executed in multiple counterparts, each of which when so executed shall be an original, and all of which shall constitute one and the same instrument.

21.11 Survival. Any obligation of Franchisee or any Principal that contemplates performance of such obligation after termination or expiration of this Agreement or the transfer of any interest of Franchisee or any Principal therein shall be deemed to survive such termination, expiration or transfer.

21.12 Entire Agreement. This Agreement, including all attachments, is the entire agreement of the parties, superseding all prior written or oral agreements of the parties concerning the same subject matter, and superseding all prior written or oral representations made to Franchisee, except that nothing in this Agreement or any related agreement with Franchisor is intended to disclaim any representations made to Franchisee in Franchisor's Franchise Disclosure Document. No agreement of any kind relating to the matters covered by this Agreement and no amendment of the provisions hereof shall be binding upon either party unless and until the same has been made in writing and executed by all interested parties.

**-Remainder of Page Intentionally Blank-**

The parties hereto have executed this Satellite Teams Franchise Agreement on the day and year first above written.

FRANCHISOR:

SATELLITE TEAMS GLOBAL, LLC

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

\_\_\_\_\_,  
(Print Name, Title)

FRANCHISEE (Entity):

\_\_\_\_\_

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

\_\_\_\_\_,  
(Print Name, Title)

FRANCHISEE (Principal):

\_\_\_\_\_

\_\_\_\_\_  
(Print Name)

FRANCHISEE (Principal):

\_\_\_\_\_

\_\_\_\_\_  
(Print Name)

**ATTACHMENT 1**  
**TRADEMARKS**

Character Mark(s) –

Satellite Teams

Hire the World

## ATTACHMENT 2

### MINIMUM PERFORMANCE STANDARDS

Franchisee must maintain or exceed the minimum number of active placements, as set forth below. "Active Placement" is defined as the successful hiring of a Candidate by the Client, facilitated by Franchisee, where the Candidate maintains continuous employment with the Client.

Year of Operation	Minimum Number of Active Placements End of Year
Year 1	25
Year 2	50
Year 3	75
Year 4 +	100

**ATTACHMENT 3**

**AUTHORIZATION AGREEMENT  
AUTOMATIC DEPOSITS (ACH WITHDRAWALS)**

Franchisor Name: **Satellite Teams Global, LLC**

I (We) hereby authorize Satellite Teams Global, LLC, hereinafter called Franchisor, to initiate debit entries to my (our) Checking Account/Savings Account (Select One) indicated below at the depository financial institution named below, and to debit the same to such account. I (We) acknowledge that the origination of ACH transactions to my (our) account must comply with the provisions of U.S. Law, and that I will be responsible for any banking fees that my institution charges.

Financial Institution Name: \_\_\_\_\_ Branch: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_ Phone: \_\_\_\_\_

ACH/Routing Number: \_\_\_\_\_ Account Number: \_\_\_\_\_ (Nine Digits)

This authorization is to remain in full force and effect until Franchisor has received a written replacement ACH Withdrawal Form notification from me. I (We) understand that revocation of this Authorization Agreement by me (us) may constitute an event of Default under the Franchise Agreement.

I (We) understand that the amount to be withdrawn by Franchisor will not be the same each month and I (We) therefore authorize all monetary transfers pursuant to Articles 6 and 18 of the Franchise Agreement.

\_\_\_\_\_  
Print Franchisee / Account Holder Name                      Print Franchisee/Co-Account Holder Name

\_\_\_\_\_  
Franchisee/ Account Holder Signature-Date                      Franchisee/Co-Account Holder Signature-Date

\_\_\_\_\_  
Daytime Phone Number    Email Address

**PLEASE ATTACH A VOIDED CHECK TO THIS FORM**

**Please Return Form to: Satellite Teams Global, LLC  
American International Plaza  
250 Muñoz Rivera Avenue, 6th Floor, San Juan, Puerto Rico, 00918**

**ATTACHMENT 4**

**STATEMENT OF OWNERSHIP INTERESTS IN  
FRANCHISEE/ENTITY**

**Name**

**Percentage of Ownership**

## ATTACHMENT 5

### SPOUSE GUARANTY

This Guaranty and Covenant (this "Guaranty") is given by the undersigned ("Guarantor") on \_\_\_\_\_ (the "Effective Date") to Satellite Teams Global, LLC, a Puerto Rico limited liability company ("Franchisor"), in order to induce Franchisor to enter into that certain Franchise Agreement dated on or about the Effective Date hereof (the "Franchise Agreement") with \_\_\_\_\_, a(n) \_\_\_\_\_ and \_\_\_\_\_ (collectively "Franchisee").

Guarantor acknowledges that Guarantor is the spouse of Franchisee's Principal, as that term is used in the Franchise Agreement.

Guarantor acknowledges that Guarantor has read the terms and conditions of the Franchise Agreement and acknowledges that the execution of this Guaranty is in partial consideration for, and a condition to the granting of, the rights granted in the Franchise Agreement to Franchisee, and that Franchisor would not have granted these rights without the execution of this Guaranty by Guarantor.

Guarantor hereby individually makes, agrees to be bound by, and agrees to perform, all of the monetary obligations and non-disclosure and non-competition covenants and agreements of the Franchisee as set forth in the Franchise Agreement, including but not limited to, the covenants set forth in Sections 19.2, 19.5, 19.6, 19.8 and 19.9 of the Franchise Agreement ("Guaranteed Obligations"). Guarantor shall perform and/or make punctual payment to Franchisor of the Guaranteed Obligations in accordance with the terms of the Franchise Agreement or other applicable document forthwith upon demand by Franchisor.

This Guaranty is an absolute and unconditional continuing guaranty of payment and performance of the Guaranteed Obligations. This Guaranty shall not be discharged by renewal of any claims guaranteed by this instrument, change in ownership or control of the Franchisee entity, transfer of the Franchise Agreement, the suffering of any indulgence to any debtor, extension of time of payment thereof, nor the discharge of Franchisee by bankruptcy, operation of law or otherwise. Presentment, demand, protest, notice of protest and dishonor, notice of default or nonpayment and diligence in collecting any obligation under any agreement between Franchisee and Franchisor are each and all waived by Guarantor and/or acknowledged as inapplicable. Guarantor waives notice of amendment of any agreement between Franchisee and Franchisor and notice of demand for payment by Franchisee. Guarantor further agrees to be bound by any and all amendments and changes to any agreement between Franchisee and Franchisor.

Franchisor may pursue its rights against Guarantor without first exhausting its remedies against Franchisee and without joining any other guarantor hereto and no delay on the part of Franchisor in the exercise of any right or remedy shall operate as a waiver of such right or remedy, and no single or partial exercise by Franchisor of any right or remedy shall preclude the further exercise of such right or remedy.

If other guarantors have guaranteed any and or all of the Guaranteed Obligations, their liability shall be joint and several to that of Guarantor.

Until all of the Guaranteed Obligations have been paid in full and/or performed in full, Guarantor shall not have any right of subrogation, unless expressly given to Guarantor in writing by Franchisor.

All Franchisor's rights, powers and remedies hereunder and under any other agreement now or at any time hereafter in force between Franchisor and Guarantor shall be cumulative and not alternative and shall be in addition to all rights, powers and remedies given to Franchisor by law.

Should any one or more provisions of this Guaranty be determined to be illegal or unenforceable, all other provisions nevertheless shall remain effective.

This Guaranty shall extend to and inure to the benefit of Franchisor and its successors and assigns and shall be binding on Guarantor and its successors and assigns.

Guarantor has signed this Guaranty as of the date set forth above.

GUARANTOR - SPOUSE OF FRANCHISEE'S PRINCIPAL:

\_\_\_\_\_

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

Address: \_\_\_\_\_

\_\_\_\_\_

## ATTACHMENT 6

### PROVISIONS APPLICABLE TO SBA FINANCING

For the purpose of Franchisee's application for funding from a lender in which funding is provided with the assistance of the U. S. Small Business Administration (the "SBA"), and at all times that the SBA has an interest in any SBA-assisted financing provided to Franchisee, Franchisor and Franchisee agree as follows:

1. With respect to a partial interest in the Franchised Business, Franchisor may exercise its option to purchase or its right of first refusal only if the proposed transferee is not a current owner or family member of a current owner of Franchisee.

2. If Franchisor's consent is required for any transfer (full or partial) of the Franchised Business, Franchisor will not unreasonably withhold such consent.

3. If Franchisee owns the real estate where the Franchised Business operates, Franchisee will not be required to sell the real estate upon default or termination of the Franchise Agreement, but Franchisee may be required to lease the real estate for the remainder of the Term (excluding additional renewals) for fair market value.

4. If Franchisee owns the real estate where the Franchised Business operates, Franchisor has not and will not during the Term of the Franchise Agreement record against the real estate any restrictions on the use of the property, including any restrictive covenants, branding covenants or environmental indemnification, control or use restrictions. If any such restrictions are currently recorded against Franchisee's real estate, they must be removed in order for Franchisee to obtain SBA financial assistance.

5. If Franchisee owns the real estate where the Franchised Business operates, the right of Franchisor to assume Franchisee's lease has not and will not during the Term of the Franchise Agreement be recorded against the real estate and may not include any attornment language unless it is subordinated to any SBA financial assistance.

6. For other than regularly scheduled payments and payments otherwise authorized in the Franchise Agreement, Franchisor does not have the authority to unilaterally share, commingle, or withdraw funds from Franchisee's bank account.

7. The Franchise Agreement does not prevent Franchisee from having meaningful oversight over the operations of the Franchised Business. Meaningful oversight includes the authority to:

- i. Approve the annual budget of the Franchised Business;
- ii. Have control over the bank accounts of the Franchised Business; AND
- iii. Have oversight over the employees operating the Franchised Business (who must be employees of Franchisee).

Franchisee agrees that the Franchise Agreement does not prevent Franchisee from having meaningful oversight over the operations of the Franchised Business by requiring Franchisee to comply with quality, marketing, and operations standards that govern Franchisee's use of Franchisor's System.

## ATTACHMENT 7

### CONFIDENTIALITY AND NON-COMPETE AGREEMENT

This Confidentiality and Non-Compete Agreement (the "Agreement") is made and entered into this day of \_\_\_\_\_, by \_\_\_\_\_, a(n) \_\_\_\_\_ ("Franchisee"), a franchisee of Satellite Teams Global, LLC a Puerto Rico limited liability company ("Franchisor"), and \_\_\_\_\_, an individual ("Covenantor").

**WHEREAS**, Franchisee and Franchisor are parties to a franchise agreement dated \_\_\_\_\_ (the "Franchise Agreement"), whereby Franchisor has granted Franchisee the right to use certain of Franchisor's trademarks and copyrights, including but not limited to, the Satellite Teams trademarks and logo, website, documents, advertisements, photographs, social media content, promotional materials and operations manual (collectively referred to as the "Intellectual Property") for the establishment and operation of a Satellite Teams franchised business;

**WHEREAS**, in performing his or her duties, the Covenantor will need access to certain Intellectual Property and other confidential information, know-how, techniques, training, and other materials related to the Satellite Teams brand and its franchised business operations. This includes, but is not limited to, the Franchisor's proprietary methods for client acquisition, candidate sourcing, and service delivery. Such methods encompass offshore recruitment channels, international labor market intelligence, candidate databases, internal compensation models, pricing algorithms, remote onboarding protocols, and the Franchisor's operational infrastructure for providing outsourced employment services to clients (collectively referred to as "Confidential Information");

**WHEREAS**, the Intellectual Property and Confidential Information provide economic advantages to Franchisor and licensed users of Franchisor, including Franchisee;

**WHEREAS**, Franchisee has acknowledged the importance of restricting the use, access and dissemination of the Intellectual Property and Confidential Information, and Franchisee therefore has agreed to obtain from Covenantor a written agreement protecting the Intellectual Property and Confidential Information and further protecting the Satellite Teams brand against unfair competition; and

**WHEREAS**, Covenantor acknowledges that receipt of and the right to use the Intellectual Property and Confidential Information constitutes independent valuable consideration for the representations, promises and covenants made by Covenantor herein.

**NOW, THEREFORE**, in consideration of the mutual covenants and obligations contained herein, the parties agree as follows:

#### 1. Confidentiality Agreement.

**a.** Covenantor shall, at all times, maintain the confidentiality of the Confidential Information and shall use the Intellectual Property and such Confidential Information only in the course of his or her employment by or association with Franchisee in connection with the operation of a Satellite Teams franchised business under the Franchise Agreement and in accordance with the requirements thereof.

**b.** Covenantor shall not at any time make copies of any documents or compilations containing some or all of the Intellectual Property or Confidential Information, and shall not reproduce, in whole or in part, any of the Intellectual Property or Confidential Information, without Franchisor's express written permission.

c. Covenantor shall not at any time disclose or permit the disclosure of the Confidential Information except, and only then to the limited extent necessary, to those employees of Franchisee for training and assisting such employees in the operation of Franchisee's Satellite Teams franchised business.

d. Covenantor shall surrender any material containing some or all of the Intellectual Property or Confidential Information to Franchisee or Franchisor, upon request, or upon termination of employment or association with Franchisee.

e. Covenantor shall not at any time, directly or indirectly, do any act or omit to do any act that would or would likely be injurious or prejudicial to the goodwill associated with the Satellite Teams brand.

f. Upon termination of employment or association with Franchisee, Covenantor shall immediately lose all rights to access and/or use the Intellectual Property and Confidential Information for any purpose whatsoever.

## **2. Covenants Not to Compete.**

a. In order to protect the goodwill and unique qualities of the Satellite Teams brand, and in consideration for the disclosure to Covenantor of the Confidential Information, Covenantor further agrees and covenants that during Covenantor's employment or association with Franchisee, Covenantor shall not, for Covenantor or through, on behalf of or in conjunction with any person or entity:

(i) divert, or attempt to divert, any business, employee, independent contractor, Candidate, Client, vendor, referral source, or other similar third party of Franchisee or of other franchisees in the Satellite Teams system to any competitor, by direct or indirect inducement, solicitation, encouragement, influence, recruitment, or otherwise or

(ii) participate as an owner, partner, director, officer, employee, consultant or agent or serve in any other capacity in any outsourced staffing, recruiting, personnel placement, or employment-related services involving remote workers, whether similar or dissimilar to the System ("Competitive Business"). Competitive Business shall include, without limitation, any business providing or facilitating offshore virtual assistants, remote employees, independent contractors, or staffing solutions to businesses, whether under a traditional staffing model, a software-as-a-service model, a freelance platform, or any other delivery mechanism. The determination of whether a business is "Competitive" shall be made by Franchisor in its reasonable discretion based on the totality of the circumstances.

b. In further consideration for the disclosure to Covenantor of the Confidential Information and to protect the goodwill and unique qualities of the Satellite Teams system, Covenantor further agrees and covenants that, upon the termination of Covenantor's employment or association with Franchisee and continuing for twenty-four (24) months thereafter, Covenantor shall not, for Covenantor or through, on behalf of or in conjunction with any person or entity:

(i) solicit, induce, encourage, recruit, influence, or otherwise divert, or attempt to divert, any business, employee, independent contractor, Candidate, Client, vendor, referral source, or other similar third party of the Franchisee's Satellite Teams franchised business or the business of other franchisees in the Satellite Team system to any competitor, by direct or indirect inducement, solicitation, encouragement, influence, recruitment, or otherwise or

(ii) participate as an owner, partner, director, officer, employee, consultant or agent or serve in any other capacity in any Competitive Business.

c. The parties acknowledge and agree that each of the covenants contained herein are reasonable limitations as to time, geographical area, and scope of activity to be restrained and do not impose a greater restraint than is necessary to protect the goodwill or other business interests of Franchisor.

d. If the period of time or the geographic scope specified Section 2.b. above, should be adjudged unreasonable in any proceeding, then the period of time will be reduced by such number of months

or the geographic scope will be reduced by the elimination of such portion thereof, or both, so that such restrictions may be enforced for such time and scope as are adjudged to be reasonable. In addition, Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in this Agreement or any portion thereof, without Covenantor's or Franchisee's consent, effective immediately upon receipt by Covenantor of written notice thereof, and Covenantor agrees to forthwith comply with any covenant as so modified.

### **3. General.**

**a.** Franchisee shall take full responsibility for ensuring that Covenantor acts as required by this Agreement.

**b.** Covenantor agrees that in the event of a breach of this Agreement, Franchisor would be irreparably injured and be without an adequate remedy at law. Therefore, in the event of such a breach, or threatened or attempted breach of any of the provisions hereof, Franchisee is obligated to enforce the provisions of this Agreement and shall be entitled, in addition to any other remedies that are made available to it at law or in equity, to a temporary and/or permanent injunction and a decree for the specific performance of the terms of this Agreement, without the necessity of showing actual or threatened harm and without being required to furnish a bond or other security.

**c.** Covenantor agrees to pay all expenses (including court costs and reasonable attorneys' fees) incurred by Franchisor and Franchisee in enforcing this Agreement.

**d.** Any failure by Franchisee to object to or take action with respect to any breach of any provision of this Agreement by Covenantor shall not operate or be construed as a waiver of or consent to that breach or any subsequent breach by Covenantor.

**e.** THIS AGREEMENT SHALL BE INTERPRETED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE COMMONWEALTH OF PUERTO RICO, WITHOUT REFERENCE TO PUERTO RICO CHOICE OF LAW PRINCIPLES. COVENANTOR HEREBY IRREVOCABLY SUBMITS HIMSELF OR HERSELF TO THE JURISDICTION OF THE STATE AND FEDERAL COURTS OF THE STATE OF PUERTO RICO. COVENANTOR HEREBY WAIVES ALL QUESTIONS OF PERSONAL JURISDICTION OR VENUE FOR THE PURPOSE OF CARRYING OUT THIS PROVISION. COVENANTOR HEREBY AGREES THAT SERVICE OF PROCESS MAY BE MADE UPON COVENANTOR IN ANY PROCEEDING RELATING TO OR ARISING UNDER THIS AGREEMENT OR THE RELATIONSHIP CREATED BY THIS AGREEMENT BY ANY MEANS ALLOWED BY PUERTO RICO OR FEDERAL LAW. COVENANTOR FURTHER AGREES THAT VENUE FOR ANY PROCEEDING RELATING TO OR ARISING OUT OF THIS AGREEMENT SHALL BE IN PUERTO RICO; PROVIDED, HOWEVER, WITH RESPECT TO ANY ACTION THAT INCLUDES INJUNCTIVE RELIEF OR OTHER EXTRAORDINARY RELIEF, FRANCHISOR OR FRANCHISEE MAY BRING SUCH ACTION IN ANY COURT IN ANY STATE THAT HAS JURISDICTION.

**f.** The parties agree that each of the foregoing covenants contained herein shall be construed as independent of any other covenant or provision of this Agreement.

**g.** Covenantor acknowledges and agrees that each of the covenants contained herein will not impose any undue hardship on Covenantor since Covenantor has other considerable skills, experience and education which affords Covenantor the opportunity to derive income from other endeavors.

**h.** This Agreement contains the entire agreement of the parties regarding the subject matter hereof. This Agreement may be modified only by a duly authorized writing executed by all parties.

**i.** All notices and demands required to be given hereunder shall be in writing, and shall be delivered personally or by certified or registered mail, postage prepaid, addressed to the party for whom intended, and shall be deemed given on the date of delivery or the date delivery is refused. All such notices shall be addressed to the party to be notified at the following addresses:

If directed to Franchisee:

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

If directed to Covenantor:

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

Any change in the foregoing addresses shall be effected by giving written notice of such change to the other parties.

**j.** Franchisor is an intended third-party beneficiary of this Agreement, and Franchisor may take whatever action it deems necessary to enforce Covenantor's obligations hereunder. The rights and remedies of Franchisor under this Agreement are fully assignable and transferable and shall inure to the benefit of its respective affiliates, successors and assigns.

**k.** The respective obligations of Franchisee and Covenantor hereunder may not be assigned by Franchisee or Covenantor, without the prior written consent of Franchisor.

The undersigned have entered into this Confidentiality and Non-Compete Agreement as of the date first written above.

FRANCHISEE:

\_\_\_\_\_

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

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

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

COVENANTOR:

\_\_\_\_\_

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

**EXHIBIT C  
LIST OF FRANCHISED OUTLETS  
AS OF DECEMBER 31, 2024**

**SATELLITE TEAMS**

<b>Name</b>	<b>Address</b>	<b>City</b>	<b>State</b>	<b>Zip</b>	<b>Phone</b>
None					

**EXHIBIT D  
LIST OF FORMER FRANCHISEES**

Franchisees whose franchise agreements were terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under their franchise agreement between January 1, 2024 through December 31, 2024, or who have not communicated with us within the last 10 weeks.

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

**SATELLITE TEAMS**

Name	City	State	Phone Number	Reason for Departure
None				

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**SATELLITE TEAMS EXCLUSIVE SERVICE AGREEMENT**

## EXCLUSIVE SERVICES AGREEMENT

This EXCLUSIVE SERVICES AGREEMENT (this "**Agreement**"), is made and entered as of \_\_\_\_\_, by and among SATELLITE TEAMS SERVICES, LLC, a Puerto Rico limited liability Franchisee (the "**Service Provider**"), and \_\_\_\_\_, a \_\_\_\_\_ (the "**Company**").

WHEREAS, Company is a party to a Satellite Teams franchise agreement with SATELLITE TEAMS GLOBAL LLC ("Franchise Agreement") and desires to engage Service Provider to provide such services for the SATELLITE TEAMS business located at \_\_\_\_\_ ("Franchised Business"), which operates pursuant to a the Franchise Agreement.

NOW, THEREFORE, in consideration of the foregoing and the mutual and dependent covenants hereinafter set forth, the parties agree as follows:

1. Appointment. The Company hereby engages the Service Provider, and the Service Provider hereby agrees, upon the terms and subject to the conditions set forth herein, to provide, or cause any of its Affiliates to provide, certain services to the Company, as described in Section 3(a) hereof. For purposes of this Agreement, an "**Affiliate**" of any specified person is a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the person specified.

2. Term. Unless terminated earlier pursuant to this section, the term of this Agreement will be from the date of this Agreement until the expiration or termination of the Franchise Agreement ("**Term**").

(a) Automatic Termination. This Agreement shall automatically terminate upon termination, transfer, non-renewal, or expiration of the Franchise Agreement.

(b) Service Provider's Additional Cause for Termination. Service Provider shall terminate this Agreement effective upon written notice to Company if a failure by Company to make a timely payment continues for ten (10) days after Company's receipt of written notice of nonpayment.

(c) Effect of Termination. Upon termination, Service Provider shall have no obligation provide any services to Company and Company shall pay within fifteen (15) days after termination the fees it owes to Service Provider for services provided prior to termination.

(d) Cross Default. A default of this Agreement shall also be a default under the Franchise Agreement and a default under the Franchise Agreement shall also be a default of this Agreement.

3. Duties of the Service Provider.

(a) Services. The Service Provider or any of its Affiliates shall provide the Company with:

(i) Employee Management Platform. Service Provider shall provide the Company with access to an Employee Management Platform ("Platform"). This Platform is designed to streamline the management of employee information and enhance operational efficiency. The Platform currently offers a comprehensive dashboard that allows the Company to view and manage all employees' information in a centralized location. The dashboard includes, but is not limited to, the following employee details: (i)

Start date, (ii) Tenure, (iii) Birthdate, (iv) Emergency contact information, (v) Payroll information, (vi) Tax and other government identification numbers, and (vii) Documents and valid IDs. The Platform will also include asset management of employees, performance and evaluation tools, and invoice management. Service Provider reserves the right to amend and change the features that the Platform offers at anytime as necessary.

(ii) Invoicing, Bookkeeping, and Administrative Services. Service Provider shall provide Company with the invoicing, bookkeeping, and administrative support by undertaking the following services as needed or as they apply: (i) receive and process all payments from the client for remote employees employed by Service Provider, (ii) process payroll for remote employees including payroll, banking, insurance, and other necessary employee recruitment costs (subject to section 4(a)(viii) herein), (iii) provide and process all administration and fulfillment of benefits and any mandated government taxes and contributions for employees based in each country, (iv) maintain and provide security for all clients and employee data, and (v) provide offboarding support as any employee transitions off client teams.

(iii) Other Service. Service Provider shall provide Company with any other services that it deems necessary (in its sole discretion) from time to time to effectuate the purpose of this Agreement and the Franchise Agreement. Service Provider reserves the right to amend and/or remove the services offered from time to time as necessary

(b) Subcontracting. Company acknowledges and agrees that Service Provider may engage others to provide the services described under this Agreement, including independent contractors, subcontractors, or affiliates of Service Provider.

(c) No Exclusivity. Service Provider retains all rights to perform the same or similar type of services described under this Agreement for third parties during the Term.

(d) Representations and Warranties of Service Provider. Service Provider represents and warrants to Company that Service Provider shall use commercially reasonable efforts to provide the services described under this Agreement in a professional manner. EXCEPT FOR THE EXPRESS REPRESENTATIONS AND WARRANTIES CONTAINED IN THIS SECTION 3(d) SERVICE PROVIDER, NOR ANY OTHER PERSON ON SERVICE PROVIDER'S BEHALF, HAS MADE OR MAKES ANY EXPRESS OR IMPLIED REPRESENTATION OR WARRANTY, EITHER ORAL OR WRITTEN, WHETHER ARISING BY LAW, COURSE OF DEALING, COURSE OF PERFORMANCE, USAGE, TRADE, OR OTHERWISE, ALL OF WHICH ARE EXPRESSLY DISCLAIMED. COMPANY ACKNOWLEDGES THAT IT HAS NOT RELIED UPON ANY REPRESENTATION OR WARRANTY MADE BY SERVICE PROVIDER OR ANY OTHER PERSON ON SERVICE PROVIDER'S BEHALF, EXCEPT AS SPECIFICALLY PROVIDED IN THIS SECTION 3(d).

#### 4. Company Obligations.

(a) Obligations. In addition to the other obligations set forth in this Agreement, Company shall:

(i) Respond promptly to any Service Provider request to provide direction, information, approvals, authorizations, or decisions that are reasonably necessary for Service Provider to perform the services in accordance with the requirements of this Agreement.

(ii) Provide complete and accurate information, data, documents, contracts, materials and access to accounts, programs, and computer software or cloud programs as Service Provider may reasonably request, in order to carry out the services, in a timely manner. The current Master Service Agreement that Company shall enter into with any client is attached as Attachment 1 to this Agreement. Service Provider may update the form Master Service Agreement upon thirty (30) days notice to Company.

(iii) Obtain all rights and consents needed to provide Service Provider with access to the information and data reasonably necessary for Service Provider to perform the services in accordance with the requirements of this Agreement.

(iv) Perform its role as owner and manager of the Franchised Business and party responsible for providing its goods and services to clients. Specifically, Company shall run the Franchised Business and make management and business decisions. Company is responsible for its relationship to clients and for resolving client concerns.

(v) Comply with all applicable federal, state, and local laws. This Agreement and Service Provider's performance of services thereunder do not remove Company's sole obligation to comply with all applicable laws.

(vi) Hold any confidential or proprietary information of Service Provider strictly confidential and disclose it only to the extent it is necessary for the performance of the services under this Agreement.

(vii) shall be solely responsible for the collection of any accounts receivable ("AR") that are older than ninety (90) days from the date of issuance. Company shall take all necessary actions to ensure the timely collection of such AR. Company shall bear all costs and expenses associated with the collection efforts for any AR that is older than ninety (90) days. This includes, but is not limited to, legal fees, collection agency fees, and any other related expenses incurred in the process of collecting the outstanding AR.

(viii) Company may set the cost for any employee placement. However, Company shall be responsible for any remaining costs inclusive, but not limited to, the employee's salary, taxes, benefits, and other placement costs including fines, severance, or other fees as imposed by any jurisdiction or in Service Providers reasonable judgment ("Direct Cost") that exceed the cost that is charged to a client on a monthly basis. Any Direct Cost that exceed the monthly cost to a client shall be paid by Company to Service Provider at the time such applicable cost is due and owed by client

(ix) Service Provider, in its sole discretion, may require Company to maintain a deposit account to cover the Direct Cost for up to three (3) months in an amount as determined by Service Provider ("Direct Costs Deposit Account"). Service Provider may utilize and pull funds from the Direct Costs Deposit Account to offset any employee placement's Direct Cost in Service Provider's sole discretion. Company shall maintain and deposit additional funds into the Direct Costs Deposit Account to replenish any utilized funds from the Direct Costs Deposit Account as required from time to time or as otherwise directed by Service Provider. Company is fully obligated to ensure payment for their client's placements. Service Provider reserves the right to withhold funds from the Direct Costs Deposit Account to cover any outstanding balances owed by the Company's clients.

(b) Consequences for Service Provider. If Service Provider's performance of its obligations under this Agreement is prevented or delayed by any act or omission of Company or its owners, officers, agents, contractors, or employees, Service Provider shall not be deemed in breach of its obligations under this Agreement or otherwise liable for any costs, charges, or losses sustained or incurred by Company, in each case, to the extent arising directly or indirectly from such prevention or delay.

5. Fees. Company shall pay the royalty and all other fees under the Franchise Agreement to Service Provider. Service Provider will process payments from clients and as otherwise directed from time to time in the sole direction of Service Provider and will remit amounts owed to Company and as set forth under the franchise agreement subject to Section 4 herein. Furthermore, Company shall pay to Service Provider a personnel management fee to compensate Service Provider for onboarding, payroll, HR management, and offboarding services of Candidate(s) in an amount equal to Two Hundred Dollars (\$200.00) multiplied by the number of cumulative placements each month ("Personnel Management Fee"). Franchisor reserves the right to increase the Personnel Management Fee by up to five percent (5%) annually, or by the Consumer Price Index, whichever is greater.

6. Human Resources. Service Provider shall ultimately control all Human Resources ("HR") policies of any employee placed by Company. This includes, but is not limited to, any termination, suspensions, furloughs, severances, or other employee actions related to employment. Service Provider will not terminate furlough or otherwise pause a placement without instruction from Company and will only do so in accordance with legal labor practices in the applicable jurisdiction. Company is responsible for any and all severances, defenses, or other fees and penalties incurred with any such suspension, termination, or furlough.

7. Assignment. Company shall not assign, transfer, or delegate any or all of its rights or obligations under this Agreement, without the prior written consent of Service Provider. No assignment shall relieve Company of any of its obligations hereunder. Any attempted assignment, transfer, or other conveyance in violation of the foregoing shall be null and void. Service Provider shall have no restrictions on its rights to assign, transfer, or delegate any or all of its rights or obligations under this Agreement. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns.

8. Indemnification. Company must fully protect, indemnify, defend, reimburse and hold Service Provider and its owners, directors, officers, insurers, successors and assigns and Service Provider's affiliates harmless from and against any and all claims, demands, damages and liabilities of any nature whatsoever arising in any manner, directly or indirectly, out of or in connection with, or incidental to (i) the operation of, the Franchised Business (regardless of cause or any concurrent or contributing fault or negligence of Service Provider or its affiliates), (ii) any breach by Company or Company's failure to comply with the terms and conditions of this Agreement, (iii) any act or omission of Company's owners, officers, agents, and employees or of any candidate that is recruited, recommended, or interviewed by Service Provider, (iv) any breach by Company of a Satellite Teams Master Service Agreement with a client, (v) any amounts owed to Service Provider by Company, and (vi) Company's use of the services provided by Service Provider. Service Provider also reserves the right to select its own legal counsel to represent its interests, and Company must reimburse Service Provider for all of Service Provider's costs and all attorneys' fees immediately upon Service Provider's request as they are incurred.

9. Notice. All notices, requests, demands and other communications required or permitted to be given or made under this Agreement shall be in writing and shall be given (i) by personal delivery, (ii)

by registered or certified mail, return receipt requested, postage prepared, or (iii) by delivery to a nationally recognized overnight courier service, in each case, addressed as follows:

If intended for Service Provider addressed to

SATELLITE TEAMS SERVICES, LLC  
1225 Avenida Juan Ponce de Leon Penthouse,  
San Juan, Puerto Rico, 00907

With copy to (which shall not constitute notice):

Manning Fulton & Skinner, PA  
3605 Glenwood Avenue, Suite 500  
Raleigh, North Carolina 27609  
Attn: Ritchie Taylor

If intended for Company, addressed to

the notice address set forth on the signature page, or,

if Company has opened its Franchised Business, the address of the office of the Franchised Business,

in either case, to such other address as may have been designated by notice to the other party. Notice shall be deemed given and effective upon the first to occur of receipt, when proper delivery is refused, or two (2) calendar days after deposit in registered or certified U.S. Mail or with a nationally recognized overnight courier, as described above. Any notice that gives the sender evidence of delivery, rejected delivery, or delivery that is not possible because the recipient moved and left no forwarding address will be deemed to have been given at the date and time of receipt, rejected, and/or attempted delivery.

10. Limitation of Liability. IN NO EVENT SHALL SERVICE PROVIDER BE LIABLE TO COMPANY OR TO ANY THIRD PARTY FOR ANY LOSS OF USE, REVENUE, OR PROFIT OR LOSS OF DATA OR FOR ANY CONSEQUENTIAL, INCIDENTAL, INDIRECT, EXEMPLARY, SPECIAL, OR PUNITIVE DAMAGES WHETHER ARISING OUT OF BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE), OR OTHERWISE, REGARDLESS OF WHETHER SUCH DAMAGE WAS FORESEEABLE AND WHETHER OR NOT SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. Notwithstanding any provision to the contrary, the total and aggregate liability of Service Provider to Company for any and all claims, damages or actions related to this Agreement, whether based on an action in contract, equity, negligence, tort, indemnification or any other theory of law, will not exceed the fees incurred by Company under this Agreement during the period of six (6) months prior to the incident giving rise to any such claims or damages.

11. Relationship of the Parties. The services that Service Provider renders to Company under this Agreement will be as an independent contractor with respect to Company. Nothing contained in this Agreement will be construed to create a joint venture, partnership, or other joint enterprise, or the relationship of principal and agent, or employer and employee, or a fiduciary relationship between Service Provider and Company or between Service Provider and any of Company's employees or independent contractors. Other than as expressly set forth, Service Provider shall have no authority to commit, act for or on behalf of Company, or to bind Company to any obligation or liability. For the sake of clarity, this

Agreement neither gives Service Provider the power or authority nor reserves for Service Provider the power or authority: (i) to hire, fire, supervise, engage, or otherwise discipline Company's employees; (ii) to control Company's employees' work schedule or workplace conditions; (iii) to determine Company's employees' rate of pay or method of payment. This Agreement does not give Service Provider any power or authority over how or when a Company's employees' work is performed.

12. Dispute Resolution Provision.

a) Arbitration. The parties agree that, to the extent that any disputes cannot be resolved directly between Company and Service Provider, any action arising out of or relating to this Agreement or the making, performance, or interpretation thereof shall upon thirty (30) days written notice by either party be resolved, except as elsewhere expressly provided in this Agreement, upon application by any such party by binding arbitration in Puerto Rico, in accordance with the Commercial Arbitration Rules then prevailing of the American Arbitration Association, including without limitation the Optional Rules for Emergency Measures of Protection ("AAA"), and judgment on the arbitration award may be entered in any court of competent jurisdiction. Company and Service Provider agree that arbitration shall be conducted on an individual - not a class-wide basis. Any award by the arbitrator(s) shall be final, binding and non-appealable. The matter shall be heard by one (1) arbitrator mutually selected by the parties who shall have at least ten (10) years' experience in practicing franchise law during which franchise law is or has been their primary area of practice and shall have substantial experience in the preparation of franchise agreements and franchise disclosure documents. Company understands that by agreeing to arbitrate it gives up jury and appeal and other rights it might have in court. SERVICE PROVIDER AND COMPANY IRREVOCABLY WAIVE AND SURRENDER THEIR RIGHT TO PURSUE A JUDICIAL REMEDY OF ANY CLAIM ARISING OUT OF, OR RELATED TO THIS AGREEMENT.

b) Attorneys' Fees and Costs. In any claims, lawsuit, arbitration, or litigation arising out of or relating in any way to this Agreement or the parties' business relationship, the non-prevailing party agrees to reimburse the prevailing party for all attorneys' fees, costs, and expenses incurred in the prosecution or defense of any such claim, lawsuit, arbitration, or litigation.

c) JURY TRIAL AND CLASS ACTION WAIVER. SERVICE PROVIDER AND COMPANY IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY PROVIDER AND COMPANY. NEITHER COMPANY NOR SERVICE PROVIDER SHALL SEEK TO LITIGATE OR ARBITRATE AGAINST THE OTHER PARTY TO THIS AGREEMENT OR SUCH PARTY'S AFFILIATES, EITHER AS A REPRESENTATIVE OF, OR ON BEHALF OF, ANY OTHER PERSON, CLASS, OR ENTITY ANY DISPUTE, CONTROVERSY, OR CLAIM OF ANY KIND ARISING OUT OF, OR RELATING TO, THIS AGREEMENT, THE RIGHTS AND OBLIGATIONS OF THE PARTIES, OR OTHER CLAIMS OR CAUSES OF ACTION RELATING TO THE PERFORMANCE OF EITHER PARTY TO THIS AGREEMENT. NO LITIGATION, ARBITRATION OR OTHER ACTION OR PROCEEDING UNDER THIS AGREEMENT SHALL ADD AS A PARTY, BY CONSOLIDATION, JOINDER, OR IN ANY OTHER MANNER, ANY PERSON OR PARTY OTHER THAN COMPANY AND SERVICE PROVIDER AND ANY PERSON IN PRIVITY WITH, OR CLAIMING THROUGH, IN THE RIGHT OF, OR ON BEHALF OF, COMPANY OR SERVICE PROVIDER, UNLESS BOTH COMPANY AND SERVICE PROVIDER CONSENT IN WRITING. SERVICE PROVIDER HAS THE ABSOLUTE RIGHT TO REFUSE SUCH CONSENT. COMPANY AGREES AND

ACKNOWLEDGES THAT ANY PROCEEDING DIRECTLY OR INDIRECTLY ARISING FROM OR RELATING TO THIS AGREEMENT, THE RELATIONSHIP BETWEEN THE PARTIES, OR ANY AGREEMENT OR RELATIONSHIP BETWEEN COMPANY AND ANY AFFILIATE OF SERVICE PROVIDER WILL BE CONSIDERED UNIQUE ON ITS FACTS AND SHALL NOT BE BROUGHT AS A CLASS OR GROUP ACTION.

d) WAIVER OF CERTAIN DAMAGES. EXCEPT FOR COMPANY'S OBLIGATIONS TO INDEMNIFY SERVICE PROVIDER UNDER THIS AGREEMENT, SERVICE PROVIDER AND COMPANY WAIVE ANY RIGHT TO OR CLAIM FOR PUNITIVE, EXEMPLARY, CONSEQUENTIAL, MULTIPLE, INCIDENTAL OR OTHER DAMAGES IN EXCESS OF THE ECONOMIC DAMAGES ACTUALLY SUSTAINED, WHETHER ASSERTED AS A RELATED OR INDEPENDENT TORT, AS A BREACH OF CONTRACT, OR AS ANY OTHER CLAIM OR CAUSE OF ACTION BASED ON STATUTORY OR COMMON LAW.

e) Remedies Cumulative. All rights and remedies conferred upon Company and Service Provider by this Agreement and by law shall be cumulative of each other, and neither the exercise nor the failure to exercise any such right or remedy shall preclude the exercise of any other such right or remedy.

f) Governing Law. This Agreement and any claim or controversy arising out of or relating to rights and obligations of the parties under this Agreement and any other claim or controversy between the parties shall be governed by and construed under the laws of the Commonwealth of Puerto Rico and any dispute between the parties shall be governed by and determined in accordance with the substantive laws of the Commonwealth of Puerto Rico, which laws shall prevail in the event of any conflict of law. Notwithstanding the foregoing, the parties expressly agree that Puerto Rico Law 75, known as the "Dealer's Contract Law," shall not apply to this Agreement unless its statutory application is independently met. The venue for any arbitration concerned with the enforcement and interpretation of this Agreement shall be Puerto Rico. Any and all claims and actions arising out of or relating to this agreement, the relationship of Company and Service Provider or the services provided by Service Provider, brought by Company against Service Provider, shall be commenced within one (1) year from the occurrence of the facts giving rise to such claim or action, or such claim or action shall be barred.

13. Force Majeure. Service Provider shall not be liable or responsible to Company, or be deemed to have defaulted under or breached this Agreement, for any failure or delay in fulfilling or performing any term of this Agreement, when and to the extent Service Provider's failure or delay is caused by or results from the following force majeure events ("Force Majeure Event(s)"): (a) acts of God; (b) flood, fire, earthquake, hurricanes, tsunamis, or explosions; (c) war, invasion, hostilities (whether war is declared or not), terrorist threats or acts, riot or other civil unrest; (d) government order, law, or action; (e) embargoes or blockades in effect on or after the date of this Agreement; (f) national or regional emergency; (g) strikes, labor stoppages or slowdowns or other industrial disturbances; (h) telecommunication breakdowns or power outages or shortages, and (i) other similar events beyond the reasonable control of Service Provider. Service Provider shall use diligent efforts to end the failure or delay and ensure the effects of such Force Majeure Event are minimized. Service Provider shall resume the performance of its obligations as soon as reasonably practicable after the removal of the cause.

14. Miscellaneous.

a) Amendment and Survival. No provision of this Agreement may be amended or waived unless agreed to in writing and signed by the parties. Any provision that, in order to give proper effect to its intent, should survive expiration or termination, shall survive the expiration or earlier termination of this Agreement.

b) Severability. If any term or provision of this Agreement is invalid, illegal, or unenforceable in any jurisdiction, such invalidity, illegality, or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction. Upon such determination that any term or other provision is invalid, illegal, or unenforceable, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

c) Entire Agreement and Waiver. This Agreement and the exhibits attached hereto contain the entire understanding between the parties and supersede all prior agreements and understanding relating to the subject matter of the Agreement. The failure of a party to enforce the provisions of this Agreement will not be a waiver of any provision or the right of such party thereafter to enforce each and every provision of this Agreement.

d) Cooperation and Beneficiaries. Each party shall, upon the reasonable request of the other party, promptly execute such documents and perform such acts as may be necessary to give full effect to the terms of this Agreement. This Agreement is for the sole benefit of the parties hereto and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other person any legal or equitable right, benefit, or remedy of any nature whatsoever, under or by reason of this Agreement.

e) Counterparts and Headings. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. Electronic signatures shall have the same effect as wet ink signatures. A signed copy of this Agreement delivered by email, facsimile or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement. Captions and headings of the sections and paragraphs of this Agreement are intended solely for convenience and no provision of this Agreement is to be construed by reference to the caption or heading of any section or paragraph.

[SIGNATURES ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have executed this EXCLUSIVE SERVICES AGREEMENT on the date first written above.

**Company:**

\_\_\_\_\_

**Service Provider:**

SATELLITE TEAMS SERVICES, LLC

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

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

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

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

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

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

**Attachment 1**

**SATELLITE TEAMS MASTER SERVICE AGREEMENT**

This Engagement Agreement (the “*Agreement*”) made this \_\_\_\_\_, (“*Effective Date*”), by and between \_\_\_\_\_ (“*Provider*”), a \_\_\_\_\_, having its principal place of business at \_\_\_\_\_ and; \_\_\_\_\_, on behalf of itself and its affiliates and its subsidiaries (“*Client*”), a Limited Liability Company (**business classification**) duly organized and existing under the laws of \_\_\_\_\_ (**State**) having its principal place of business at \_\_\_\_\_.

---

The above named shall be referred to herein individually as a “*Party*”, and collectively, as “*Parties*.”

**WITNESSETH:**

**WHEREAS**, Provider is in the business of providing, sourcing, and screening, potential hires under a permanent short- or long-term contract, project work, out-tasking, and outsourcing agreement:

**WHEREAS**, Client requires assistance in identifying, screening, and hiring candidates for a variety of roles and wishes to engage the services of Provider for the purpose; and

**WHEREAS**, Provider desires and agrees to deliver its services to the Client

**NOW, THEREFORE**, in consideration of the mutual covenants and agreements contained herein, and for valuable consideration, the sufficiency of which is hereby acknowledged, the Parties agree as follows:

**GENERAL TERMS AND CONDITIONS**

1. **DEFINITIONS OF COMMON TERMS**. For the purpose of this Agreement, the following terms shall have the following meanings.

a “**Hired PRT**” means a PRT that has been hired by Provider to provide PRT Services at the Client’s request and on the Client’s behalf pursuant to an SOW.

b “**PRT**” means a vetted professional talent individual that works remotely.

c “**PRT Services**” means the role, job description, and/or services described in an SOW to be performed by the PRT hired pursuant to such SOW.

d “**Recruitment Fee**” means the amount of 1 month of the Provider Single Rate for the position for each Hired PRTs pursuant to the applicable SOW, unless otherwise stated in the SOW will equal.

e “**Service(s)**” means the services set forth in an SOW to be performed for Client by Provider, which may include, by way of example only screening, recruitment, and hiring of PRTs on Client’s behalf, legal employment, payroll management, benefits management, local compliance, and taxation with respect to Hired PRTs.

f “**SOW**” means a mutually executed order or statement of work, referencing this Agreement and setting out the Services to be performed by Provider and/or a Hired PRT for Client and the fees to be paid by Client, therefore.

g “**Provider Single Rate**” means the monthly fixed Provider Fee set forth in the applicable SOW but does not include any other fees listed in the applicable SOW or fees or any Add-on Services, that are included in, or may later be added to the applicable SOW.

## 2. **RELATIONSHIPS OF PARTIES**

2.1 **IC Status.** Provider shall act solely as an independent contractor. Nothing contained herein shall be construed to create the relationship of principal and agent, employer and employee, parent and subsidiary, or joint venture.

2.2 **Hiring of PRTs.** During the term of this Agreement, upon Client’s request, Provider shall identify and introduce potential PRTs to Client to provide services to Client on a full-time basis. The Client and Provider will enter one or more SOWs for any PRTs to be hired and any job, role, or services for which Provider will hire a PRT on behalf of and at Client’s request. In the event that Client wishes for Provider to hire a PRT on Client’s behalf pursuant to an SOW, Client will notify Provider and Provider will provide the PRT with an offer for employment to perform such services; provided that Provider reserves the right to refuse to hire any PRT in the event that the parties are not able to agree on the terms of an SOW for the applicable PRT Services or Provider reasonably believes that the interviewing or decision to hire the PRT was, or the employment of the PRT by Provider would be, in violation of applicable laws or public policy. The PRT Services will only commence upon the PRT’s acceptance of an offer of employment from Provider for the PRT Services and Provider’s receipt of any Recruitment Fees payable in connection with the hiring of the PRT.

2.3 **Supervision of PRT.** The supervision of Hired PRTs and PRT Services is solely the Client’s responsibility. The client agrees and acknowledges that Provider shall neither have nor exercise any control or direction over the methods by which a PRT provides PRT Services or the PRT’s duties, work, function, or other activities. In supervising Hired PRTs, the Client will adhere to the Client requirements set forth in the applicable SOW. The supervision of PRT Services shall include the sole authority of the Client to determine the means and methods by which the Hired PRT is to deliver the PRT Services and the Client’s method of appraising the work performance of each Hired PRT; provided that Hired PRTs are only authorized to perform work within the scope of the PRT Services as identified under the applicable SOW.

2.4 **Employment of PRT.** As the employer of Hired PRTs, Provider shall be responsible for remitting payment of wages to Hired PRTs and providing all employee benefits, disability benefits, health insurance, worker’s compensation, auto insurance, or other employee fringe benefits to Hired PRTs.

2.5 **Replacement PRT Policy.** In the event a Hired PRT is terminated at the Client’s request within 60 days of the initial start date of the Hired PRT’s employment, Provider will, at the Client’s reasonable request, use commercially reasonable efforts to identify and offer to the Client a replacement PRT without requiring payment of an additional Recruitment Fee. Provider’s obligations under this Section shall not apply in the event of PRT termination or resignation due to change in compensation or other benefits of employment, unlawful conduct of the Client, sexual harassment of the PRT, or other illegal conditions or events.

2.6 **Responsibility.** The client is solely responsible for complying, at its own expense, with all applicable safety, anti-discrimination, health, and work environment laws, regulations, ordinances, directives, and rules imposed by controlling federal, state, and local governments relating to Hired PRTs other than those related to employment and payment of the PRT, including ensuring that Hired PRTs are provided with applicable meal/rest breaks, overtime, holidays, and medical leave. It is understood that the Client is responsible for implementing and maintaining usual, customary, and appropriate internal procedures and controls, internal controls, and other appropriate procedures and controls (including information technology, proprietary information, creative designs, and trade secret safeguards) in connection

with the PRT. Although Provider can provide guidance to the Client concerning the implementation of such policies, Provider shall not be responsible for any losses, liabilities, or claims arising from the lack of such controls or procedures.

2.7 *Compliance with Policies and Laws*. The client will comply with all applicable laws with respect to its relationship with the Hired PRTs and provide Hired PRTs with at least those breaks, notices, disclosures, conditions, and conditions as are required to be provided to employees under applicable law. The client will not take any actions with respect to interviewing PRTs or make any decisions regarding which PRTs it directs Provider to hire that is illegal or against public policy or would be illegal or against public policy if the Client were the one hiring a PRT. Client agrees to comply with policies and instructions provided by Provider that are designed to support Client's compliance with local regulatory and labor laws applicable to the engagement of the Hired PRT. Client will provide all Hired PRTs with and will not prevent or attempt to prevent any Hired PRTs from taking all applicable meal and rest breaks, overtime, holidays, and medical leave that is legally required or that Provider reasonably determines should be provided to such Hired PRTs.

### 3. **TERM AND TERMINATION**

3.1 This Agreement shall be effective for an initial term of 1 year (the "**Initial Term**") or until terminated by mutual agreement in writing or pursuant to sections 3.3 or 3.8 below, whichever period is longer.

3.2 At the end of the Initial Term, this Agreement shall be automatically extended for additional period of 1 year unless terminated by mutual agreement of the parties.

3.3 Either party may terminate this Agreement upon 90 days' notice in writing to the other party.

3.4 The Client may terminate any part of the SOW with respect to a particular PRT, with 90 days written notice, unless such termination relates to an act considered as serious misconduct under both Client's and Provider's disciplinary policies, in which case, such termination shall be effective immediately.

3.5 Upon termination of this Agreement, the terms and conditions contained herein shall continue to apply to all SOWs in effect at the time of termination.

3.6 Client will promptly reimburse Provider for any amounts that are required to be paid in accordance with the applicable law in the PRT's domestic jurisdiction, including but not limited to severance pay. Such reimbursement shall be paid within 30 days from Client's receipt of an invoice.

3.7 Notwithstanding anything to the contrary herein, Sections 3.6, 4, 5, 6 (solely with respect to amounts accruing prior to termination), 8, 9, and 10 will survive any termination or expiration of this Agreement.

3.8 Client acknowledges that Provider has entered into a SATELLITE TEAMS franchise agreement ("Franchise Agreement"). In the event the Franchise Agreement is terminated, then such this Agreement may be terminated unless assigned pursuant to Section 10.7 of this Agreement.

### 4. **INTELLECTUAL PROPERTY**

4.1 Client is, and shall be, the sole and exclusive owner of all right, title and interest in the work and work product provided by Hired PRTs to the Client and Provider hereby assigns to Client all right, title, and interest, including all intellectual property rights, in and to such work and work product to Client. Provider irrevocably and unconditionally waives any and all *droit morale* or "moral rights" and similar laws and principles throughout the world that Provider has or may have in the work product of PRT and hereby agrees not to make any claim against Client and/or its licensees or distributors based on any such rights.

5. **NON-SOLICITATION**

5.1 Client agrees that during the term of this Agreement and for two (2) years thereafter, Client will not: (i) recruit, solicit, or otherwise induce any of the Hired PRTs, PRTs introduced to Client or the employees or contractors of Provider that Client met as a result of this engagement to enter into employment, advising, contracting, consulting, services, or other types of relationship with Client or otherwise hire any such individuals, whether directly or indirectly, other than through Provider; or (ii) solicit from any PRT introduced to by Client by Provider any referral for any employee, contractor, consultant, advisor, or Provider for the purpose of engaging such individual in such capacity other than through Provider. If Client breaches this Section 5.1, Client shall, on demand, pay to Provider a sum equal to the greater of: (a) thirty-six (36) months of Provider's Single Rate fee; and (b) three (3) years' salary or fees to be paid by Client to such individual.

6. **PAYMENT**

6.1 **Provider Single Rate and Other Recurring Fees.** The client will pay the Provider Single Rate if any, set forth on the applicable SOW as well as any other recurring fees for recurring Services, including, without limitation, fees for Add-on Services, set forth on the applicable SOW (the "***Other Recurring Fees***") and together with the Provider Single Rate, the "***Recurring Fees***") on a monthly basis. Upon a PRT's acceptance of an offer of employment from Provider for the PRT Services, the Client will pay Provider the Recurring Fees pro-rated for the then-current calendar month as well as the Recurring Fees for the subsequent calendar month. Thereafter, the Recurring Fees for each calendar month will be invoiced on or prior to the 15<sup>th</sup> of the immediately preceding month due and payable on the 20<sup>th</sup> day of the immediately preceding calendar month.

6.2 **Recruitment Fee.** The client will pay Provider the Recruitment Fee, if any, set forth on the applicable SOW. Recruitment Fees shall be deemed earned by Provider when Provider submits an offer for employment to the applicable PRT in any capacity at the request of the Client and the PRT accepts such offer. Payment of Recruitment Fees is due and payable to Provider upon the acceptance of such employment offer to the applicable PRT.

6.3 **Statutory Leave Benefits.** The Client acknowledges, understands, and agrees that the payment for the PRT's statutory leave benefits has already been included in the monthly fees being charged by Provider for its services. Accordingly, Provider reserves the right to continue billing the Client for the monthly recurring fees or additional recurring fees, whichever may be applicable in a given circumstance, if the PRT goes on an authorized leave of absence from work which he or she is entitled to locally avail based on statutory leave benefits. These benefits which the PRT may lawfully enjoy, in accordance with the prevailing municipal laws and other social legislations, shall include, but not be limited to: Service Incentive Leave, Maternity Leave, Paternity Leave; Parental Leave for Solo Parents; Leave for Victims of Violence against Women and their Children; and Special Leave Benefits for Women due to Surgery Caused by Gynecological Orders among others. Here, the Client is duty-bound to report to Provider the fact of PRT's authorized leave of absence and to furnish any relevant document appurtenant thereto in support of such approved application for leave of absence. Provider, for its part, after processing the documents submitted, shall issue any corresponding invoice to the Client for purposes of payment at a given time agreed upon by both parties.

6.4 **Other Fees.** Any fees other than those contemplated herein will be due and payable in accordance with the SOW or as otherwise agreed between the parties.

6.5 **Payment Method.** Promptly upon execution of this Agreement, Client will provide Provider with its ACH account or credit card information (collected in the SOW), and Client will keep information pertaining to such Payment Method current, complete, and up to date always. The client agrees that Provider or its third-party payment Provider may charge the Client's Payment Method for all amounts owing hereunder. The client shall undertake all required actions, execute any required documents, instruments, or agreements, or otherwise do any other thing required or requested by Provider to effectuate the foregoing

authorization. Payments made by the Client hereunder must be made either by ACH transfer or by credit card. Any payment made by credit card includes a 4% administrative fee to be remitted at the time of the applicable payment.

6.6 Expenses. All pre-approved expenses incurred by Provider on behalf of the Client will be reimbursed to Provider in a timely manner, within 7 days of presenting the expense report. Provider will not incur any expense on behalf of the Client without the Client's prior written consent. In the event the PRT Services require travel of the Hired PRT to the Client's offices, a travel request will have to be approved by Provider and Client.

6.7 Deposit. The client will provide Provider with such amounts as Provider may request at the inception of this Agreement prior to the commencement of Services as a deposit against amounts payable by the Client hereunder. Further, in the event that Client fails to timely pay amounts owing hereunder multiple times, Client will, upon Provider's request, provide a deposit Provider to cover future Provider Single Rate fees in the amount requested by Provider. Provider shall maintain deposits made by Client as fungible funds in a non-segregated non-trust account, for which Client shall not be entitled to any interest, and returned to Client at the termination of services and/or in lieu of the final bill, net of outstanding invoices or other expenses/charges owed by Client. Such deposit, if any, shall be chargeable for all amounts unpaid by Client hereunder, including expenses under Section 6.5.

6.8 Disputes / Nonpayment / Collection / Attorneys' Fees / Interest. Client must notify Provider of any dispute with respect to any invoice provided by Provider hereunder within three (3) calendar days after the date on which such invoice is provided or such invoice is automatically deemed accepted. In the event Client fails to make timely pay for Services or PRT Services, Provider shall be entitled to its full attorneys' fees and costs incurred in recovering any such fees. All unpaid amounts will be subject to interest from the date the unpaid Services were first provided to the Client through the date of actual payment thereupon, compounded monthly, at a rate of the lesser of 1.5% percent per annum and the greatest amount permitted under applicable law.

6.9 Interruption of Services; Cancellation of Recurring Services. The client understands and acknowledges its operations, business, and other needs may be materially, consequentially, or significantly hampered, impaired, impeded, or otherwise adversely affected if the Client fails to remit payment to Provider on time for Services or PRT Services rendered. Provider reserves the right to interrupt, pause, delay, or otherwise halt Services or PRT Services to the Client due to non-payment of invoices for services rendered. Should a credit card charge hereunder fail for whatever reason, the Client must provide alternate payment information to replace the credit card on file within 24 hours, without the need of demand. Without limiting any of Provider's rights or remedies hereunder, if the client fails to provide such alternate payment information within such period or the Client otherwise fails to pay any Recurring Fees, Provider may terminate all unpaid Services, effective as of the end of the then-current month, and Client will pay Provider a penalty equivalent to the aggregate amount of three months' Recurring Fees.

6.10 Increases in Rate Schedule. Provider reserves the right to modify, adjust, or otherwise alter the rates or fees on a go-forward basis and / or to increase the Provider Single Rate in each SOW owing to the fluctuation in the foreign currency exchange market. The client understands, agrees, and acknowledges that the pricing for Services and PRT Services depends on the exchange rates for currencies applicable to the local PRT. Therefore, all rates in this Agreement, including the Provider Single Rate, shall be subject to increase and/or modification for reasons relating to changes in the foreign currency exchange rates. Further the Provider Single Rate will be increased by 1.5% every six (6) months as part of cost-of-living adjustment.

6.11 No Guarantees. The client agrees, acknowledges, and understands that its obligation to render payment for Provider's Services is not contingent on the success of the PRT, PRT Services, or any outcome. The client acknowledges, understands, and agrees, that the identification of a PRT constitutes a recommendation and suggestion only and that the ultimate success of a PRT's position with the Client is the responsibility of the Client and outside of the control of Provider. Provider shall not be responsible for the

success, non-success, results, or any outcome relating to its services or the PRT's services provided to the Client.

7. **DISCLAIMERS AND LIMITATION OF LIABILITY**

7.1 ALL PRODUCTS AND SERVICES PROVIDED BY PROVIDER TO THE CLIENT AND THE PRT SERVICES ARE AS-IS, WITHOUT ANY WARRANTIES WHATSOEVER. THE COMPANY MAKES NO EXPRESS OR IMPLIED WARRANTIES, CONDITIONS, OR REPRESENTATIONS TO THE CLIENT WITH RESPECT TO THE SERVICES

PROVIDED BY THE COMPANY TO THE CLIENT OR THE SERVICES TO BE PROVIDED BY ANY PRT TO THE CLIENT, WHETHER ORAL, WRITTEN, EXPRESS, IMPLIED, OR OTHERWISE, INCLUDING IMPLIED WARRANTIES OF MERCHANTABILITY FITNESS FOR A PARTICULAR PURPOSE, OR OTHERWISE. THERE IS NO WARRANTY AGAINST INTERFERENCE WITH THE CLIENT'S ENJOYMENT OF THE SERVICES OR THE PRT SERVICES. THE COMPANY DOES NOT REPRESENT THAT ITS SERVICES TO CLIENTS OR THAT THE PRT SERVICES ARE WITHOUT DEFECT OR ERROR.

7.2 EXCEPT FOR BREACHES OF SECTION 2.6, 2.7 OR 5, CLIENT'S INDEMNIFICATION OBLIGATIONS HEREUNDER, IN NO EVENT, SHALL EITHER PARTY BE LIABLE FOR ANY SPECIAL, INDIRECT, CONSEQUENTIAL, OR OTHER DAMAGES, INCLUDING THOSE FOR LOST REVENUE, LOST PROFITS, SAVINGS, OR OTHER ECONOMIC LOSS, FOR ANY BREACH OF THE AGREEMENT, AND DAMAGES CAUSED BY DELAY IN FURNISHING SERVICES TO CLIENT BY COMPANY, EVEN IF THE OTHER PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES AND NEITHER PARTY'S LIABILITY, WHETHER IN CONTRACT, TORT OR OTHERWISE, REGARDLESS OF THE FORM OF THE ACTION, SHALL NOT EXCEED THE TOTAL AMOUNT OF FEES PAID BY CLIENT TO COMPANY FOR SERVICES DURING THE PRIOR TWELVE (12) MONTHS.

8. **CONFIDENTIALITY**

8.1 Neither party will use in any manner except to exercise its rights and perform its obligations hereunder or disclose, distribute, publish, communicate (other than disclosures of Client's Confidential Information to Hired PRTs to enable them to perform PRT Services) or in any way cause to be used, disclosed, distributed, published, or communicated in any way or at any time any Confidential Information (as defined below) of the other party. "**Confidential Information**" means any written or unwritten information which relates to and/or is used by either party or its subsidiaries, affiliates or divisions and should reasonably be considered confidential based on the nature of the information or the circumstances surrounding its disclosure, which may include, without limitation: (i) the names, addresses, other special information regarding past, present and potential customers, employees, Providers, vendors, or contacts of the party, (ii) client contracts, activities, and transactions, (iii) business, advertiser, contractor, marketing, operational, vendor, distribution, retail, customer, client, or other types of relationships possessed by or in development, (iv) all agreements, files, books, logs, charts, records, studies, reports, processes, and schedules (v) data, figures, projections, estimates, client lists, manuals, procedure manuals or handbooks, (vi) vendor information, tax records, personnel histories and records, sales information, and property information, (vii) information regarding the present or future phases of business, (viii) ideas, inventions, trademarks, business information, know-how, processes, techniques, improvements, designs, redesigns, creations, discoveries, trade secrets, and developments, (ix) all business processes developed; and (x) finances and financial information. Confidential Information will not include information that (1) became or becomes a matter of public knowledge through sources independent of the acquiring party or (2) has been or is required or specifically permitted to be disclosed by law or governmental order or regulation, notwithstanding a party has given the other party prior notice of such legally compelled disclosure and a reasonable opportunity to seek a protective order or other confidential treatment for such Confidential information (if permitted by applicable law). Notwithstanding anything to the contrary herein, Provider may freely use and exploit any

suggestions, requests, and feedback provided by or on behalf of the Client regarding Provider's business, products, or services.

9. **MUTUAL INDEMNIFICATION**

9.1 Each party shall defend, indemnify and hold the other party and its agents, representatives, contractors, employees, assigns, licensees, successors, insurers, parents, members, managers, directors, officers, shareholders, affiliates, and all other related parties free and harmless from and against any and all claims, losses, expenses, liabilities, investigations, and/or proceedings (including, without limitation, reasonable attorneys' fees and costs, and expert witness fees) ("**Claims**") arising out of, resulting from: (a) its breach of Sections 2.6 and 2.7 of this Agreement; (b) except with respect to Claims for which the other party has an obligation to indemnify under the preceding (a), a violation of any state, federal, municipal, or common law right of the PRT, including but not limited to those involving the alleged or actual violation of any labor or employment laws; (c) noncompliance with any state, federal, municipal, or common law statutes, ordinances, laws, or other rules; or (d) negligence, willful misconduct, and/or wrongful acts. Nothing herein shall require either party to defend, indemnify, or hold the other party harmless for the other party's own acts, omissions, negligence, and/or malfeasance.

9.2 Both parties hereby waive, release and discharge one another from all Claims (including cross-claims and counterclaims) related to the performance of a PRT that may have accrued from the inception of the parties' relationship and including all prospective and unknown claims including claims asserting negligence or failure to warn and any claims for associated penalties, statutory penalties, attorneys fees, interest and otherwise, whether pursuant to any individual action, administrative/regulatory action, or other proceeding relating to, in connection with. Or arising out of a PRT and/or the PRT Services.

10. **GENERAL**

10.1 **Notices:** Any notice given pursuant to this Agreement shall be in writing and shall be deemed received 5 working days after posting by mail, registered or certified, return receipt requested, or sent by overnight courier (including but not limited to FedEx, UPS, etc.) next business day delivery, with a signed acceptance receipt, or via facsimile electronic transfer with confirmation/receipt and original of said writing shall be deposited in first class mail. Notices to Client shall include a required email copy to Matt Martin (m.martin@satelliteteams.com). For the avoidance of doubt, notices sent by electronic means to the designated email address under the preceding paragraph shall be deemed sufficient notice.

10.2 **Force Majeure:** The parties may be excused from any of their obligations in this Agreement by reason of force majeure, such as acts of God, fire, earthquake, labor strike, pandemic, act of government or any order, regulation, ruling, or labor union action, or if the parties are materially hampered in their obligations under the Agreement, or if its normal business operations become commercially impractical via labor disagreements, fire, catastrophe, shortage of materials or any other natural or non-natural cause beyond the parties' control. Notwithstanding anything to this Agreement to the contrary.

10.3 **Severability:** If any clause, sentence, paragraph, or part of the Agreement is deemed invalid, such invalidity shall be limited to the clause, sentence, paragraph, or part thereof directly involved and no other.

10.4 **Waiver:** The waiver of any term, condition, or provision of this Agreement by Provider or Client must be in writing. No such waiver shall be construed as a waiver of any other term, condition, or provision except as provided in writing, nor as a waiver of any subsequent breach of the same term, condition, or provision.

10.5 **Governing Law and Jurisdiction:** This Agreement and the rights of the parties hereunder shall be governed by and construed in accordance with the laws of, and exclusive jurisdiction shall be in, the judiciary Puerto Rico or federal courts of the Commonwealth of Puerto Rico. Notwithstanding the foregoing, the parties expressly agree that Puerto Rico Law 75, known as the "Dealer's Contract Law," shall not apply to this Agreement unless its statutory application is independently met. The parties hereby consent and submit

to the personal jurisdiction and venue of the judiciary Puerto Rico and federal courts of the Commonwealth of Puerto Rico and waive all rights to assert lack of jurisdiction, forum non-convenience, improper venue, or any other jurisdiction or venue-related defense or objection.

10.6 Entire Agreement: This Agreement, including all SOWs hereunder, which are hereby incorporated into and form a part of this Agreement, comprises the entire understanding between the Parties and supersedes any previous communications, representations, or agreements, whether oral or written. No modification of this Agreement shall be valid or binding on either Party unless in writing and signed by an authorized representative of each Party.

10.7 Right to Legal Representation. The client has read this Agreement and understands that this is an important legal document. The client affirms that he/she/they have been advised of the right to seek independent legal counsel in connection with the negotiation and execution of this Agreement and that they have either retained and have been represented by such legal counsel or have knowingly and voluntarily waived their rights to such legal counsel and desires to enter into this Agreement with the benefit of independent legal representation.

10.7 Assignment. Client acknowledges that Provider has entered into a SATELLITE TEAMS franchise agreement and agrees that this Agreement may be assigned along with all rights and accounts receivable to the SATELLITE TEAMS franchisor or its affiliates in the event that the franchise agreement between franchisor and Provider is terminated or non-renewal.

The undersigned has read, understood, and agreed to the terms and conditions herein, including any attachments hereto with each Party signing this Agreement warrants that he or she is duly authorized to do so and bind the respective party.

**CLIENT**

**PROVIDER**

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

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

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

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

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

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

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

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

**EXHIBIT G**  
**FORM OF GENERAL RELEASE**  
**[Current Form for Transfers and Other Occasions]**

1. **Release of Claims.** Franchisee and its Principals and their for themselves and on behalf of their respective guarantors, predecessors, parents, subsidiaries, affiliates, shareholders, members, partners, officers, directors, managers, employees, agents, representatives, attorneys, accountants, heirs, executors, administrators, family members, successors, and assigns, and all other persons acting on their behalf or claiming under them (collectively referred to as the “Franchisee Related Parties”) irrevocably and unconditionally release and forever discharge Franchisor, Franchisor’s predecessors, parents, subsidiaries, and affiliates, and their respective officers, directors, shareholders, partners, managers, members, agents, representatives, independent contractors, servants, employees, attorneys, accountants, guarantors, successors, and assigns, past and present, in their corporate and individual capacities, and all persons acting by, through, under or in concert with any of them (collectively “Releasees”), from all actions, causes of action, suits, debts, liens, contracts, agreements, obligations, promises, liabilities, claims, rights, demands, damages, controversies, losses, costs, and expenses (including attorneys’ fees and costs actually incurred) of any nature whatsoever, known or unknown, suspected or unsuspected, fixed or contingent (“Claim” or “Claims”), which they now have or claim to have or at any time heretofore have had or claimed to have against each or any of the Releasees, including, without limitation, any and all such Claims arising from, based upon or related to the Franchise Agreement.

**[For California franchisees, add:** Each of the Releasing Parties expressly waives and relinquishes all rights and benefits which either may now have or in the future have under and by virtue of California Civil Code Section 1542. The Releasing Parties do so understanding the significance and consequence of such specific waiver. Section 1542 provides that “[a] general release does not extend to claims which the creditor does not know or suspect exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.” For the purpose of implementing a general release and discharge as described in Section 1. above, the Releasing Parties expressly acknowledge that this Agreement is intended to include in its effect, without limitation, all claims described in Section 1. above which the Releasing Parties do not know or suspect to exist in their favor at the time of execution hereof, and that this Agreement contemplates the extinguishment of any such claims.]

**[For Washington franchisees, add:** This General Release does not apply with respect to claims arising under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.]

2. **Unknown Claims.**

(a) Franchisee acknowledges for itself and the Franchisee Related Parties that there is a risk that subsequent to the execution of this Agreement, it will discover, incur or suffer Claims which are unknown or unanticipated at the time this Agreement is executed, including, without limitation, unknown or unanticipated Claims which arose from, are based upon or are related to the Franchise Agreement or some part or aspect thereof, which if known by Franchisee on the date this Agreement is being executed may have materially affected its decision to execute this Agreement.

(b) Franchisee acknowledges and agrees for itself and the Franchisee Related Parties that by reason of the release contained in Section 1. above, it is assuming the risk of such unknown and unanticipated Claims and agrees that its release of the Releasees contained in this Agreement applies thereto.

3. **Covenant Not to Sue.** Franchisee covenants and agrees for itself and for the Franchisee Related Parties not to bring or allow to be brought on behalf of itself or any Franchisee Related Party, any action, cause of action, suit or other proceeding of any kind, which has accrued or which may ever accrue, whether based in the Constitution, common law or statute, contract, tort, or in equity, for actual or punitive damages or other relief, against Franchisor and the Releasees arising out of, resulting from, or in any manner related to the matters referenced in Section 1.

4. **No Assignment of Claims.** Franchisee represents and warrants for itself and the Franchisee Related Parties that it has not assigned or transferred, or purported to assign or transfer, to any person or entity, any Claims released under Section 1 of this Agreement and agrees to indemnify, defend, and hold the Releasees harmless from and against any and all Claims, based on or arising out of any such assignment or transfer, or purported assignment or transfer, of any Claims, or any portion thereof or interest therein. Franchisee represents and warrants that since the date of the Franchise Agreement, there has been no assignment or transfer, and no purported assignment or transfer, to any person or entity of the Franchise, the Franchise Agreement, or any rights or interests therein or in the Franchisee.

5. **[OMIT FOR WASHINGTON FRANCHISEES; FOR USE IN STATES OTHER THAN WASHINGTON:] Full and Independent Knowledge.** Franchisee represents that it has been represented by an attorney in connection with the preparation and review of this Agreement, that it has specifically discussed with its attorney the meaning and effect of this Agreement and that it has carefully read and understands the scope and effect of each provision contained herein. Franchisee further represents that it does not rely and has not relied upon any representation or statement made by the Franchisor or, any of the Releasees or any of their representatives with regard to the subject matter, basis or effect of this Agreement.

6. **Compromise.** Franchisee agrees for itself and the Franchisee Related Parties that the releases contained herein are the result of a compromise and shall never at any time for any purpose be considered as an admission of liability or responsibility on the part of Franchisor or the Releasees regarding any matter.

7. **General Provisions.**

(a) **Entire Agreement.** This Agreement, when fully executed, supersedes all previous negotiations, representations, and discussions by the parties hereto concerning the subject matter hereof and integrates the whole of all of their agreements and understandings concerning the subject matter hereof. No oral representations or undertakings concerning the subject matter hereof shall operate to amend, supersede, or replace any of the terms or conditions set forth herein.

(b) **Authority.** By their signatures below, the parties hereto represent and warrant to each other that they have all necessary authority to enter into this Agreement. Each party hereto represents and warrants that the party is entering into this Agreement solely for the purposes and consideration set forth herein.

(c) **Counterpart Execution.** This Agreement may be executed in multiple counterparts, each of which shall be fully effective as an original.

(d) **Survival.** All covenants, representations, warranties, and agreements of the parties shall survive execution and delivery of this Agreement and shall continue until such time as all the obligations of the parties hereto shall have lapsed in accordance with their respective terms or shall have been discharged in full.

(e) Further Assurance. The parties hereto covenant and agree that they will execute such other and further instruments and documents as are or may become necessary or convenient to effectuate and carry out the intent of this Agreement.

(f) Complete Defense. Franchisee acknowledges that this Agreement shall be a complete defense to any claim released under the terms of Section 1, of this Agreement and hereby consents to the entry of a temporary or permanent injunction to end the assertion of any such claim.

(g) Attorneys' Fees. In the event that Franchisor institutes legal proceedings of any kind to enforce this Agreement, Franchisee agrees to pay all costs and expenses associated therewith, including, but not limited to, all attorneys' fees.

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed by its duly authorized representative as of the date indicated below.

**FRANCHISOR:**  
SATELLITE TEAMS GLOBAL LLC

**FRANCHISEE:**  
[Insert name of Franchisee entity here]

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**[Add signature blocks for any additional parties identified pursuant to Section 1.]**

**EXHIBIT H-1**  
**SAMPLE TRANSFER AGREEMENT AND CONSENT**  
**[Subject to change]**

THIS TRANSFER AGREEMENT AND CONSENT (“**Transfer Agreement**”) is made and entered into by and between SATELLITE TEAMS GLOBAL LLC, a Puerto Rico limited liability company (“**Franchisor**”), [name of entity], a[n] [state] [type of entity] (“**Transferor**”), [name(s) of individual(s) who are named as Principals], [an] adult individual[s] (“**Transferor Principals**”), [name of entity], a[n] [state] [type of entity] (“**Transferee**”), and [names of individual(s) who are named as Principals in the new franchise agreement], [an] adult individual[s] (“**Transferee Principals**”). This Transfer Agreement will be effective upon execution by Franchisor (“**Effective Date**”).

**RECITALS**

A. Transferor is the Franchisee under that certain SATELLITE TEAMS GLOBAL LLC Franchise Agreement dated \_\_\_\_\_, 20\_\_ between Franchisor and Transferor (“**Franchise Agreement**”) for the Territory listed in Attachment B to the Franchise Agreement, and Transferor Principals are personally bound by certain covenants set forth in the Franchise Agreement.

B. Transferor operates its SATELLITE TEAMS business (“**Franchisee’s Business**”), pursuant to the terms and conditions of the Franchise Agreement.

C. Transferor desires to transfer, convey, and assign to Transferee all of its interest in and to the Franchise Agreement as provided for in this Transfer Agreement and to sell certain assets used in the operation of Franchisee’s Business, as defined in that certain purchase agreement dated \_\_\_\_\_, 20\_\_ between Transferor as seller and Transferee as buyer (“**Purchase Agreement**”), such transaction to be effective as of the date specified in the Purchase Agreement or otherwise mutually agreed to by the parties (“**Closing**”).

D. Transferee desires to assume the duties and obligations of Transferor under a New Franchise Agreement (defined below), subject to the terms, conditions, and covenants contained herein.

E. Franchisor desires to consent to the transfer contemplated by this Transfer Agreement, subject to the terms, conditions, and covenants set forth below.

NOW THEREFORE, FOR AND IN CONSIDERATION of the premises, the mutual promises and covenants contained herein, and other good and valuable consideration, the receipt, sufficiency, and adequacy of which are expressly acknowledged, the parties, each intending to be legally bound, do hereby agree as follows:

**AGREEMENT**

1. Consent to Transfer. Franchisor hereby consents to the transfer contemplated by this Transfer Agreement, provided that all of the terms and conditions set forth herein are met. All future transfers subject to the terms of the New Franchise Agreement remain subject to Franchisor’s further consent.

2. Payment of Fees. Upon execution of this Transfer Agreement by Franchisor, Transferor must have paid Franchisor all sums owed to Franchisor by Transferor, including but not limited to the required transfer fee and all Returnable Commissions.

3. Termination of Franchise Agreement; Survival of Certain Covenants and Obligations. Except as provided for in Section 9. of this Transfer Agreement, upon execution of this Transfer Agreement by Franchisor, the Franchise Agreement will terminate automatically; however, Transferor and Transferor

Principals, and each of them, remain bound by, and must comply with, those provisions of the Franchise Agreement, which by their nature survive termination and include, but are not limited to, confidentiality, non-solicitation, and noncompetition; payment of debts and taxes; indemnification; and the post-term obligations set forth in Section 11. **Further, Transferor and Transferor Principals will remain bound by the dispute resolution provisions set forth in Section 14, of the Franchise Agreement.**

4. New Franchise Agreement. Transferee and Transferee's Principals have read and understand Franchisor's current form of franchise agreement with related attachments, if any (collectively, "**New Franchise Agreement**"), and agree that on or before Closing, Transferee will enter into the New Franchise Agreement with Franchisor and execute or cause to be executed all attachments thereto, and Transferee Principals will each execute the Principals' Undertaking (Attachment C to the New Franchise Agreement).

5. Releases

a. By Franchisor. Except for the obligations set forth in this Transfer Agreement, Franchisor irrevocably and unconditionally releases, acquits, and forever discharges Transferor and each Transferor Principal ("**Transferor Parties**") from all actions, causes of action, suits, debts, liens, obligations, promises, liabilities, claims, rights, demands, damages, controversies, losses, costs, and expenses (including attorneys' fees and costs actually incurred), known or unknown, suspected or unsuspected, fixed or contingent, which Franchisor now has, owns, holds, claims to have, claims to own, or claims to hold, or at any time heretofore had owned, held, claimed to have, claimed to own, or claimed to hold against any Transferor Party arising out of or relating to the Franchise Agreement.

b. By Transferor. Transferor and each Transferor Principal, for themselves and on behalf of all other persons or entities acting on any of their behalf or claiming under any of them ("**Releasing Parties**"), hereby irrevocably and unconditionally release, acquit, and forever discharge Franchisor, Franchisor's predecessors, parents, subsidiaries, and affiliates, their respective officers, directors, shareholders, partners, managers, members, agents, representatives, independent contractors, servants, employees, attorneys, accountants, guarantors, successors, and assigns, past and present, in their corporate and individual capacities, past and present, and all persons acting by, through, under or in concert with any of them ("**Franchisor Releasees**") or any of them, from all actions, causes of action, suits, debts, liens, obligations, promises, liabilities, claims, rights, demands, damages, controversies, losses, costs, and expenses (including attorneys' fees and costs actually incurred), known or unknown, suspected or unsuspected, fixed or contingent, which any of them now has, owns, holds, claims to have, claims to own, or claims to hold, or at any time heretofore had, owned, held, claimed to have, claimed to own, or claimed to hold (collectively, "**claims**") against each or any of the Franchisor Releasees, including but not limited to those arising out of or relating to the Franchise Agreement and the relationships created thereby, any other agreement between any Franchisor Releasee on the one hand and any Releasing Party on the other hand, and the offer or sale of the SATELLITE TEAMS franchise opportunity.

**[INCLUDE THE FOLLOWING SENTENCE FOR TRANSFERS IN WASHINGTON ONLY:** This release in paragraph 5(b) does not apply with respect to claims arising under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.]

**INCLUDE THE FOLLOWING PARAGRAPH FOR TRANSFERS IN CALIFORNIA ONLY:** [c. The parties to this Transfer Agreement expressly waive and relinquish all rights and benefits which any of them may now have or in the future have under and by virtue of California Civil Code Section 1542. Each party does so understanding the significance and consequence of such specific waiver. Section 1542 provides that "[a] general release does not extend to claims which the creditor does not know or suspect exist in his favor at the time of executing the release, which is known by him must have materially affected his settlement with the debtor." For the purpose of implementing a general release

and discharge as described in Sections 5.a. and 5.b., above, each party hereto expressly acknowledges that this Transfer Agreement is intended to include in its effect, without limitation, all claims described in Sections 5.a. and 5.b. above, which the parties do not know or suspect to exist in their favor at the time of execution hereof, and that this Transfer Agreement contemplates the extinguishment of any such claims.]

6. Covenant Not to Sue. Each of the parties hereto covenant and agree for themselves and for their assigns, heirs, representatives, agents, family members, and all other persons acting on their behalf or claiming under them (collectively, “**Covenantors**”) not to participate in, bring, or allow to be brought on behalf of any Covenantor, any action, cause of action, suit, or other proceeding of any kind, which has accrued or which may ever accrue, whether based in the Constitution, common law, or statute, contract, tort, or in equity, for actual or punitive damages or other relief, against one another arising out of, resulting from, or in any manner related to the matters released in Sections 5.a. and 5.b

7. **[OMIT FOR WASHINGTON FRANCHISEES; FOR USE IN STATES OTHER THAN WASHINGTON:]** Acknowledgments Regarding Releases. By affixing their signatures to this Transfer Agreement, the parties acknowledge that they have carefully read and fully understand the provisions of this Agreement, including, specifically, the release of claims set forth in Sections 5.a. and 5.b. of this Agreement, and that their release of such claims is knowing and voluntary. Transferor and each Transferor Principal acknowledges that it has had a reasonable opportunity to consult with an attorney prior to executing this Transfer Agreement and that the execution of this Transfer Agreement is voluntary. Transferor and each Transferor Principal further acknowledge that Franchisor has advised them to consult with an attorney before executing this Transfer Agreement. Each party represents that it does not rely, and has not relied upon, any representation or statement made by any of the Franchisor Releasees or any of the Transferor Parties, as the case may be, or any of their representatives, with regard to the subject matter, basis, or effect of this Agreement.

8. Indemnity. The parties acknowledge and agree that except for those matters relative to its consent, Franchisor has exercised no influence over and has taken no part in the transfer of the Franchise Agreement or Franchisee’s Business. Accordingly, Transferor, each Transferor Principal, Transferee, and each Transferee Principal hereby agree to, and will at all times, indemnify and hold each of the Franchisor Releasees harmless, to the fullest extent permitted by law, from all losses and expenses incurred in connection with any action, suit, proceeding, claim, demand, investigation, or inquiry (formal or informal), or any settlement thereof (whether or not a formal proceeding or action has been instituted), which arises out of or is based upon the transactions contemplated by this Transfer Agreement. “**Losses and expenses**” includes, without limitation, all losses, compensatory, exemplary, or punitive damages, fines, charges, costs, expenses, lost profits, reasonable attorneys’ fees, investigative fees, court costs, settlement amounts, judgments, compensation for damages to Franchisor’s reputation and goodwill, and other such amounts incurred in connection with such matters.

9. Failure to Close. If Closing does not take place as provided herein, then Franchisor’s approval of the transfer contemplated by this Transfer Agreement will be deemed withdrawn, unapproved, and without any force or effect, and Transferor and Transferor Principals will remain bound by the terms of the Franchise Agreement, which will remain in full force and effect.

10. Notices. Any and all notices required or permitted under this Transfer Agreement must be in writing and personally delivered or mailed by expedited delivery service or certified or registered mail, return receipt requested, first class postage prepaid, or sent by prepaid facsimile (provided that the sender confirms the facsimile by sending an original confirmation copy by certified or registered mail or expedited delivery service within three business days after transmission) to the parties at the following addresses until a different address is designated by written notice to the other party:

Notices to Franchisor:

SATELLITE TEAMS GLOBAL LLC  
1225 Avenida Juan Ponce de Leon Penthouse,  
San Juan, Puerto Rico, 00907

Notices to Transferor  
and Transferor Principals:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attention: \_\_\_\_\_  
Facsimile: \_\_\_\_\_  
Telephone: \_\_\_\_\_

Notices to Transferee  
and Transferee Principals:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attention: \_\_\_\_\_  
Facsimile: \_\_\_\_\_  
Telephone: \_\_\_\_\_

11. Governing Law. This Transfer Agreement will be interpreted and construed under the laws of Puerto Rico, without regard to the application of Puerto Rico conflict of law rules.

12. Severability. Except as expressly provided to the contrary herein, each portion, section, part, term, and provision of this Transfer Agreement will be considered severable; and if, for any reason, any portion, section, part, term, or provision is determined to be invalid and contrary to, or in conflict with, any existing or future law or regulation by a court or agency having valid jurisdiction, such determination will not impair the operation of, or have any other effect upon, the other portions, sections, parts, terms, or provisions of this Transfer Agreement that may remain otherwise intelligible, and the latter will continue to be given full force and effect and bind the parties; the invalid portions, sections, parts, terms, or provisions will be deemed not to be part of this Transfer Agreement; and such portion, section, part, term, or provision as similar as possible to that which was severed will automatically be added, which addition will be valid and not contrary to or in conflict with any law or regulation.

13. Dispute Resolution; Venue. The parties hereto hereby irrevocably submit themselves to the jurisdiction of the state and federal district courts located in the state, county, or judicial district in which Franchisor’s principal place of business is located, and the parties each waive all questions of personal jurisdiction for the purpose of carrying out this provision. The parties further agree that the venue for any proceeding relating to or arising out of this Transfer Agreement will be the state and federal district courts located in the county or judicial district in which Franchisor’s principal place of business is located; provided however, that Franchisor may bring any action for injunctive or other extraordinary relief in any state or federal district court that has jurisdiction.

14. Counterpart Execution; Facsimile Signatures. This Transfer Agreement may be executed in multiple counterparts, each of which when so executed will be an original, and all of which will constitute one and the same instrument. Facsimile signatures will be considered effective for execution purposes.

15. Further Assurances. Transferor, Transferor Principals, Transferee, and Transferee Principals hereby irrevocably agree to execute, deliver, or cause to be executed and delivered any and all other

documents that may now or hereafter be necessary to consummate the transactions contemplated hereby, as reasonably requested by Franchisor.

16. Capitalized Terms. Initially capitalized terms used in this Transfer Agreement have the meanings given to them in the Franchise Agreement, unless otherwise defined herein.

IN WITNESS WHEREOF, the parties hereto have executed this Transfer Agreement on the dates set forth below.

**TRANSFEROR:**

[entity name]  
a[n] [state] [type of entity]

**TRANSFeree:**

[entity name]  
a[n] [state] [type of entity]

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**TRANSFEROR PRINCIPALS:**

**TRANSFeree PRINCIPALS:**

By: \_\_\_\_\_  
[Name], an Individual  
  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
[Name], an Individual  
  
Date: \_\_\_\_\_

Franchisor hereby consents to the foregoing transfer on the term described in this Transfer Agreement.

**FRANCHISOR:**

SATELLITE TEAMS GLOBAL LLC  
a Puerto Rico limited liability company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**EXHIBIT H-2**  
**SAMPLE ASSIGNMENT AND ASSUMPTION AGREEMENT**  
**[Subject to change]**

This Assignment and Assumption Agreement and Amendment to Franchise Agreement (“**Agreement**”) is entered into by and between SATELLITE TEAMS GLOBAL LLC, a Puerto Rico limited liability company (“**Franchisor**”), [Assignor Name], an individual resident of [State] (“**Assignor**”), and [Assignee Name], a [state] [corporation or limited liability company] (“**Assignee**”). This Agreement will be effective upon execution by Franchisor (“**Effective Date**”).

**BACKGROUND**

A. Franchisor and Assignor entered into that certain franchise agreement dated [Franchise Agreement Date], (“**Franchise Agreement**”), pursuant to which Assignor obtained the right and undertook the obligation to operate an independently owned and operated franchised business (“**Franchised Business**”).

B. Assignor is the sole owner of Assignee and desires to assign to Assignee all of Assignor’s rights and obligations under the Franchise Agreement and Assignor’s rights and title to the Franchised Business.

C. Franchisor has agreed to consent to the assignment and assumption set forth in this Agreement, pursuant to the terms and conditions set forth herein.

In consideration of the mutual covenants contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is acknowledged, and intending to be legally bound, the parties agree as follows:

**AGREEMENT**

1. Assignment. Assignor hereby assigns and transfers to Assignee all of its right, title, and interest in and to the Franchise Agreement as of this Agreement’s Effective Date.

2. Assumption. Assignee hereby assumes all of Assignor’s obligations, agreements, commitments, duties, and liabilities under the Franchise Agreement and agrees to be bound by and observe and faithfully perform all of the obligations, agreements, commitments, and duties of Assignor under the Franchise Agreement with the same force and effect as if the Franchise Agreement had been originally written with Assignee as Franchisee.

3. Amendment to Franchise Agreement.

a. All references to [Assignor Name] as Franchisee in the Franchise Agreement are hereby deleted and replaced with [Assignee Name].

b. [Other Attachments under Franchise Agreement].

4. Representations and Warranties. Assignee hereby represents and warrants that the ownership interests in Assignee are accurately and completely described in the table set forth in Amended Attachment E attached hereto, and that each person listed in that table will sign the Principals’ Undertaking attached hereto as Schedule 1.

5. Release. Assignor, for itself and on behalf of its guarantors, predecessors, parents, affiliates, subsidiaries, shareholders, members, partners, officers, directors, managers, employees, agents, representatives, attorneys, accountants, heirs, executors, administrators, family members, successors, and assigns, and all other persons acting on their behalf or claiming under them (“**Assignor Releasing Parties**”), hereby release, acquit, and forever discharge Franchisor, Franchisor’s predecessors, parents, subsidiaries, and affiliates, and their present and former officers, directors, shareholders, partners, managers, members, agents, representatives, independent contractors, servants, employees, attorneys, accountants, guarantors, successors, and assigns, past and present, in their corporate and individual capacities, and all persons acting by, through, under or in concert with any of them (“**Released Parties**”), from all claims and damages whether known or unknown, which Assignor Releasing parties, or any of them, have, had, or claim to have against Released Parties, or any of them, including but not limited to claims arising out of or relating to the performance or non-performance of the Franchise Agreement or the relationships created thereby, this Agreement, and/or any other agreement between Assignor, Assignor’s Principals, and/or entity owned in whole or in part by Assignor or Assignor’s Principals on the one hand and Franchisor and/or any of its affiliates on the other hand. Excepted from this release are any contractual obligations under this Agreement, which remain in full force and effect.

**[INCLUDE THE FOLLOWING SENTENCE FOR TRANSFERS IN WASHINGTON ONLY:** This release in paragraph 5 does not apply with respect to claims arising under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.]

[Assignor Releasing Parties, and each of them, expressly waive and relinquish all rights and benefits which any of them may now have or in the future have under and by virtue of California Civil Code Section 1542. Assignor Releasing Parties do so understanding the significance and consequence of such specific waiver. Section 1542 provides that “[a] general release does not extend to claims which the creditor does not know or suspect exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.” For the purpose of implementing a general release and discharge as described in Section 6, above, Assignor Releasing Parties expressly acknowledge that this Agreement is intended to include in its effect, without limitation, all claims described in Section 6, above, which the parties do not know or suspect to exist in their favor at the time of execution hereof, and that this Agreement contemplates the extinguishment of any such claims.] **[Include if Assignor is California resident.]**

6. Covenant Not to Sue. Assignor hereby covenants and agrees for itself and for its assigns, heirs, representatives, agents, family members, and all other persons acting on its behalf or claiming under them (collectively, “**Covenantors**”) not to participate in, bring, or allow to be brought on behalf of any Covenantor, any action, cause of action, suit, or other proceeding of any kind, which has accrued or which may ever accrue, whether based in the Constitution, common law, or statute, contract, tort, or in equity, for actual or punitive damages or other relief, against any Released Party arising out of, resulting from, or in any manner related to the matters released in Section 6.

7. Unknown/Unanticipated Claims. Assignor acknowledges there is a risk that, subsequent to the execution of this Agreement, it will discover, incur, or suffer claims which are unknown or unanticipated at the time this Agreement is executed, including, without limitation, unknown or unanticipated claims which arose from, are based upon, or are related to the Franchise Agreement or some part or aspect thereof, which if known by it on the date this Agreement is being executed may have materially affected its decision to execute this Agreement. Assignor acknowledges and agrees that by reason of the releases contained in Section 6, above, it is assuming the risk of such unknown and unanticipated claims and agree that its release contained in this Agreement applies thereto.

8. **[OMIT FOR WASHINGTON FRANCHISEES; FOR USE IN STATES OTHER THAN WASHINGTON:]** Acknowledgments Regarding Releases. By affixing its signature to this Agreement, Assignor acknowledges that it has carefully read and fully understands the provisions of this Agreement, including, specifically, the release of claims set forth in Sections 6. of this Agreement, and that its release of such claims is knowing and voluntary. Assignor acknowledges that it has had a reasonable opportunity to consult with an attorney prior to executing this Agreement and that it has executed this Agreement voluntarily. Assignor acknowledges that Franchisor has advised it to consult with an attorney before executing this Agreement. Assignor represents that it does not rely, and has not relied upon, any representation or statement made by any of the Released Parties or any of their representatives with regard to the subject matter, basis, or effect of this Agreement.

9. Governing Law. This Agreement is entered into in Puerto Rico and will be construed and interpreted in accordance with its laws, without regard to its conflict of law principles.

10. Construction. Capitalized terms have the meanings given to them in the Franchise Agreement, unless otherwise defined in this Agreement.

11. Enforceability. If any one or more of the provisions contained in this Agreement is for any reason held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability will not affect any other provision hereof, and this Agreement will be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

12. **WAIVER OF JURY TRIAL. THE PARTIES TO THIS AGREEMENT HEREBY IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY ANY OF THEM AGAINST THE OTHER, AND RELATING TO THIS AGREEMENT AND/OR THE FRANCHISE AGREEMENT, WHETHER OR NOT THERE ARE OTHER PARTIES IN SUCH ACTION OR PROCEEDING.**

13. Notices. Any notices required or permitted to be given hereunder will be in accordance with the notice provisions set forth in the Franchise Agreement.

Intending to be legally bound, the parties have executed this Agreement on the dates set forth below.

**ASSIGNOR:**  
[Assignor Name]

**ASSIGNEE:**  
[Assignee Name]

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

Franchisor hereby consents to the foregoing assignment on the terms described in this Agreement.

**FRANCHISOR:**  
SATELLITE TEAMS GLOBAL LLC  
a Puerto Rico limited liability company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**EXHIBIT I**  
**LIST OF STATE ADMINISTRATORS**

Listed here are the names, addresses and telephone numbers of the state agencies having responsibility for the franchising disclosure/registration laws.

**CALIFORNIA**

Department of Financial Protection and Innovation  
320 West 4th Street, Suite 750  
Los Angeles, CA 90013-2344  
866-275-2677

**CONNECTICUT**

Cynthia Antanaitis Assistant Director  
Securities and Business Investment Division  
Connecticut Department of Banking  
260 Constitution Plaza  
Hartford, Connecticut 06103-1800  
(860) 240-8230

**FLORIDA**

Florida Department of Agriculture & Consumer  
Services  
Attn: Finance & Accounting  
407 South Calhoun Street  
Tallahassee, Florida 32399-0800

**HAWAII**

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

**ILLINOIS**

F. Chet Taylor, Director of Securities  
69 West Washington Street, Suite 1220  
Chicago, IL 60602

**INDIANA**

Marie Castetter, Securities Commissioner  
Indiana Securities Division  
302 West Washington Street Room E-111  
Indianapolis, Indiana 46204

**MARYLAND**

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

**MICHIGAN**

Michigan Attorney General's Office Consumer  
Protection Division  
Attn.: Franchise Section  
525 West Ottawa Street  
Lansing, Michigan 48933

**MINNESOTA**

Minnesota Department of Commerce  
Securities & Franchise Registration  
85 75<sup>th</sup> Place East  
Suite 280  
Saint Paul, Minnesota 55101-2198

**NEBRASKA**

Nebraska Department of Banking and Finance  
1526 K Street, Suite 300  
Lincoln, Nebraska 68508

**NEW YORK**

New York State Department of Law  
Investor Protection Bureau  
28 Liberty Street, 21st Floor  
New York, New York 10005  
212-416-8222

**NORTH DAKOTA**

Franchise Examiner  
North Dakota Securities Department  
600 East Boulevard  
State Capitol 5<sup>th</sup> Floor, Dept. 414  
Bismarck, North Dakota 58505-0510

**RHODE ISLAND**

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

**SOUTH DAKOTA**

Division of Insurance  
Securities Regulations  
124 S. Euclid, Suite 104  
Pierre, South Dakota 57501

**TEXAS**

Texas Secretary of State  
Statutory Document Section  
P.O. Box 12887  
Austin, Texas 78711

**UTAH**

Robert Cummings, Director  
Department of Commerce  
Division of Consumer Protection  
160 East 300 South  
SM Box 146204  
Salt Lake City, Utah 84111-6704

**VIRGINIA**

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

**WASHINGTON**

William Beatty, Director of Securities  
Department of Financial Institutions  
Securities Division  
150 Israel Rd. S.W.  
Tumwater, Washington 98501

**WISCONSIN**

Franchise Office  
Wisconsin Securities Commission  
P.O. Box 1768  
Madison, Wisconsin 53701

**EXHIBIT J**  
**AGENTS FOR SERVICE OF PROCESS**

Listed here are the names, addresses and telephone numbers of the state offices or agents that require that we appoint them as our agents to receive service of process when we sell franchises in their states. If a state is not listed, we have not appointed an agent for service of process in that state in connection with the requirements of the franchise laws. There may be states in addition to those listed below in which we have appointed an agent for service of process. There also may be additional agents appointed in some of the states listed.

**CALIFORNIA**

Commissioner of Financial Protection and Innovation,  
Department of Financial Protection and Innovation  
320 West 4th Street, Suite 750  
Los Angeles, CA 90013-2344

**HAWAII**

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

**ILLINOIS**

Illinois Attorney General  
500 South Second Street  
Springfield, Illinois 62706

**INDIANA**

Secretary of State  
Room E-111  
302 W. Washington Street  
Indianapolis, Indiana 46204

**MARYLAND**

Maryland Securities Commissioner  
Maryland Division of Securities  
200 St. Paul Place  
Baltimore, Maryland 21202-2020

**MICHIGAN**

Securities Director, Office of Financial &  
Insurance Regulation  
525 West Allegan  
1<sup>st</sup> Floor, Constitution Hall  
Lansing, Michigan 48909

**MINNESOTA**

Commissioner of Commerce  
85 75<sup>th</sup> Place East, Suite 280  
Saint Paul, Minnesota 55101

**NEW YORK**

Secretary of State  
99 Washington Avenue  
Albany, NY 12231

**NORTH DAKOTA**

Securities Commissioner, North Dakota  
Securities Department  
600 East Boulevard  
State Capitol, 5<sup>th</sup> Floor, Dept. 414  
Bismarck, North Dakota 58505-0510

**RHODE ISLAND**

Director, Department of Business Regulation  
1511 Pontiac Avenue  
John O. Pastore Complex - Building 69-1  
Cranston, Rhode Island 02920

**SOUTH DAKOTA**

Director, Division of Insurance  
Securities Regulations  
124 S. Euclid, Suite 104  
Pierre, South Dakota 57501

**VIRGINIA**

Clerk of the State Corporation Commission  
1300 East Main Street, 1st Floor  
Richmond, Virginia 23219

**WASHINGTON**

Director of Financial Institutions Securities  
Division  
150 Israel Rd. S.W.  
Tumwater, Washington 98501

**WISCONSIN**

Commissioner of Securities, Wisconsin  
Securities Commission  
201 West Washington Avenue, Suite 300  
Madison, Wisconsin 53703

**EXHIBIT K**  
**STATE SPECIFIC INFORMATION**  
**RIDERS TO FRANCHISE AGREEMENT FOR SPECIFIC STATES**

If any one of the following Riders to the Franchise Agreement for Specific States (“Riders”) is checked as an “Applicable Rider” below, then that Applicable Rider shall be incorporated into the Franchise Agreement entered into by SATELLITE TEAMS GLOBAL LLC and the undersigned Franchisee. To the extent any terms of an Applicable Rider conflict with the terms of the Franchise Agreement, the terms of the Applicable Rider shall supersede the terms of the Franchise Agreement.

Applicable Rider

- Hawaii
- South Dakota
- Maryland
- North Dakota
- Minnesota
- Illinois

SATELLITE TEAMS GLOBAL LLC

\_\_\_\_\_  
FRANCHISEE (Print Name)

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

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

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

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

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

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

## HAWAII

1. The following statement is added to the Franchise Disclosure Document:

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

**THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE OFFERING CIRCULAR, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE. THIS OFFERING CIRCULAR CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.**

2. The following statement is added to the Franchise Disclosure Document:

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

## **SOUTH DAKOTA**

Items 5 and 7 of the Disclosure Document and the Franchise Agreement are amended to provide that all initial fees and payments shall be deferred until such time as we complete our pre-opening obligations to you under the Franchise Agreement.

## NORTH DAKOTA

The following statements are added to the Franchise Disclosure Document and the Franchise Agreement:

Items 5 and 7 of the Disclosure Document of the Franchise Agreement are amended to provide that all initial fees and payments shall be deferred until such time as we complete our pre-opening obligations to you under the Franchise Agreement.

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

The State of North Dakota has determined that requiring a franchisee to consent to termination or liquidated damages in a franchise agreement is unfair, unjust, and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Any reference or requirement that a franchisee consent to termination or liquidated damages is deleted.

The State of North Dakota has determined that certain covenants restricting competition may be contrary to Section 9-08-06 of the North Dakota Century Code. Any covenants against competition shall be subject to this section of the North Dakota Century Code. Covenants not to compete such as those mentioned above are generally considered unenforceable in the state of North Dakota.

The State of North Dakota has determined that parties agreeing to the arbitration or mediation of disputes at a location that is remote from the site of the franchisee's business is unfair, unjust, or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. The site of arbitration or mediation will be agreeable to all parties and may not be remote from the franchisee's place of business.

The State of North Dakota has determined that requiring franchisees to consent to the jurisdiction of courts outside of North Dakota is unfair, unjust, or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Any reference or requirement in the Franchise Disclosure Document, Franchise Agreement, and/or Supplemental Agreements that a franchisee consent to the jurisdiction of courts outside North Dakota is deleted.

The State of North Dakota has determined that a Franchise Disclosure Document, Franchise Agreement, and/or Supplemental Agreements that specify they are governed by the laws of a state other than North Dakota, are unfair, unjust, or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. The laws of the State of North Dakota will govern the Franchise Disclosure Document, Franchise Agreement, and/or Supplemental Agreements.

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

The State of North Dakota has determined that a Franchise Disclosure Document, Franchise Agreement, and/or Supplemental Agreements requiring a franchisee to consent to a waiver of exemplary and punitive damages to be unfair, unjust and inequitable within the intent of Section

51-19-09 of the North Dakota Franchise Investment Law. Any reference or requirement in the Franchise Disclosure Document, Franchise Agreement, and/or Supplemental Agreements that a franchisee consent to a waiver of exemplary and punitive damages is deleted.

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

The State of North Dakota has determined that requiring a franchisee pay all costs and expenses incurred by the franchisor in enforcing the agreement to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Therefore, the prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.

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

## MINNESOTA

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

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

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

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

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

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

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

**ILLINOIS**

The following statements are added to the Franchise Disclosure Document and the Franchise Agreement:

The Illinois Attorney General's Office imposed this deferral requirement due to Franchisor's financial condition. Items 5 of the Disclosure Document and the Franchise Agreement are amended to provide that all initial fees and payments shall be deferred until such time as we complete our pre-opening obligations to you under the Franchise Agreement.

AGREED:

\_\_\_\_\_  
[FRANCHISEE NAME]

SATELLITE TEAMS GLOBAL, LLC

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

## MARYLAND

1. The following statement is added to Item 5 of the Franchise Disclosure Document:

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

2. The Franchise Agreement is revised to include the following:

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

3. The following provision is removed from Item 17 and the Franchise Agreement:

The provision in the franchise agreement which provides for termination upon bankruptcy of the franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).

4. The following is added to Item 17 of the Franchise Disclosure Document and the Franchise Agreement:

Pursuant to COMAR 02.02.08.16L, the general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

5. The following is added to Item 17 of the Franchise Disclosure Document and the Franchise Agreement:

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

6. Item 17 and the Franchise Agreement are revised to permit a franchisee to bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

7. The following statement is added to the Disclosure Document and the Franchise Agreement:

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

AGREED:

\_\_\_\_\_  
[FRANCHISEE NAME]

SATELLITE TEAMS GLOBAL, LLC

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

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

<b>State</b>	<b>Effective Date</b>
California	Pending
Hawaii	Pending
Illinois	Pending
Indiana	August 5, 2025
Maryland	Pending
Michigan	August 4, 2025
Minnesota	Pending
New York	Pending
North Dakota	Pending
Rhode Island	August 8, 2025
South Dakota	September 15, 2025
Virginia	Pending
Washington	Pending
Wisconsin	August 1, 2025

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

**ITEM 23  
RECEIPT**

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If SATELLITE TEAMS GLOBAL LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale, or sooner if required by applicable state law. Applicable state laws in (a) Michigan requires us to provide you the disclosure document at least 10 business days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale, (b) New York requires us to provide you the disclosure document at the earlier of the first personal meeting or 10 business days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale, and (c) Iowa requires us to provide you the disclosure document at the earlier of the first personal meeting or 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

If SATELLITE TEAMS GLOBAL 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, DC 20580 and any applicable state agency (as listed in Exhibit I to this disclosure document).

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

	Name	Principal Business Address	Telephone Number
	Geryll Pastor	1225 Avenida Juan Ponce de León Penthouse, San Juan, 00907	939-999-2006
	Janine Caparos	1225 Avenida Juan Ponce de León Penthouse, San Juan, 00907	939-999-2006

Issuance Date: July 31, 2025

Our agents for service of process are identified on Exhibit J to this disclosure document. Our agent for service of process in Delaware is Ferraiuoli Corporate Service LLC, American International Plaza, 250 Munoz Rivera Avenue, 6th Floor, San Juan, PR, 00918.

I received a disclosure document dated July 31, 2025. The disclosure document included the following Exhibits:

- |   |   |
|---|---|
| <p>Exhibit A – Financial Statements<br/>         Exhibit B – Franchise Agreement (with Attachments and State Specific Amendments)<br/>         Exhibit C – List of Franchised Outlets<br/>         Exhibit D – List of Franchisees Who Have Left the System<br/>         Exhibit E – Franchise Operations Manual Table of Contents<br/>         Exhibit F – Satellite Teams Exclusive Service Agreement</p> | <p>Exhibit G – Form of General Release<br/>         Exhibit H-1 – Sample Transfer Agreement and Consent<br/>         Exhibit H-2 – Sample Assignment and Assumption Agreement<br/>         Exhibit I – List of State Administrators<br/>         Exhibit J – Agents for Service of Process<br/>         Exhibit K – State Specific Addenda to Franchise Disclosure Document and Franchise Agreement</p> |
|---|---|

Dated: \_\_\_\_\_  
 Individually and as an Officer of the company designated below or of a company to be formed and designated below on formation

Printed Name \_\_\_\_\_  
 of \_\_\_\_\_  
 (a \_\_\_\_\_ Corporation)  
 (a \_\_\_\_\_ Limited Liability Company)

**(Keep this page for your records.)**

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If SATELLITE TEAMS GLOBAL 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, DC 20580 and any applicable state agency (as listed in Exhibit I to this disclosure document).

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| Exhibit B – Franchise Agreement (with Attachments and State Specific Amendments) | Exhibit H-1 – Sample Transfer Agreement and Consent   |
| Exhibit C – List of Franchised Outlets   | Exhibit H-2 – Sample Assignment and Assumption Agreement                                    |
| Exhibit D – List of Franchisees Who Have Left the System                         | Exhibit I – List of State Administrators  |
| Exhibit E – Franchise Operations Manual Table of Contents                        | Exhibit J – Agents for Service of Process   |
| Exhibit F – Satellite Teams Exclusive Service Agreement                          | Exhibit K – State Specific Addenda to Franchise Disclosure Document and Franchise Agreement |

Dated: \_\_\_\_\_  
 Individually and as an Officer of the company designated below or of a company to be formed and designated below on formation

Printed Name \_\_\_\_\_  
 of \_\_\_\_\_  
 (a \_\_\_\_\_ Corporation)  
 (a \_\_\_\_\_ Limited Liability Company)

**(Keep this page for your records.)  
 (Sign and return this page to SATELLITE TEAMS GLOBAL LLC)**