

## FRANCHISE DISCLOSURE DOCUMENT

### HOW TO MANAGE A SMALL LAW FIRM®

HOW TO MANAGE A SMALL LAW  
FIRM FRANCHISOR, LLC  
2801 Florida Avenue, Unit 4,  
Coconut Grove, Florida 33133  
1-833-466-2624  
Franchise@HowToManage.com  
HowToManage.com/Franchise

The franchise offered is for a membership-based business, operating under the How To Manage A Small Law Firm® trademarks, which offers a variety of management, advisory fractional executive, training, and educational services designed to support the business functions of solo and small law firms. The franchise being offered is a membership-based business-advisory service and not the practice of law.

The total investment necessary to begin operation of a How To Manage A Small Law Firm franchise ranges from \$82,850 to \$121,400. This includes \$45,000 that must be paid to the franchisor and its affiliates. Before you purchase a How To Manage A Small Law firm franchise, you must sign a Trial Agreement and pay us a deposit of \$5,000. If you successfully complete our Trial Program and sign a Franchise Agreement, we will apply the deposit towards your initial franchise fee.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact RJon Robins at 2801 Florida Avenue, Unit 4, Coconut Grove, Florida 33133, or by phone at 1-833-466-2624.

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: December 12, 2024, as amended May 12, 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 Exhibit F. |
| <b>How much will I need to invest?</b>                                                   | Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.                                                       |
| <b>Does the franchisor have the financial ability to provide support to my business?</b> | Item 21 or Exhibit C includes financial statements. Review these statements carefully.                                                                                                                                                         |
| <b>Is the franchise system stable, growing, or shrinking?</b>                            | Exhibit F summarizes the recent history of the number of company-owned and franchised outlets.                                                                                                                                                 |
| <b>Will my business be the only How To Manage A Small Law Firm 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 How To Manage A Small Law Firm franchisee?</b>                 | Item 20 lists 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 B.

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

### Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by arbitration or litigation only in Florida. Out-of-state litigation may force you to accept a less favorable settlement for disputes. It may also cost more to litigate with the franchisor in Florida than in your own state.
2. **Spousal Liability.** Your spouse must sign a document that makes your spouse liable for your financial obligations under the franchise agreement, even though your spouse has no ownership interest in the business. This guarantee will place both you and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.
3. **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.
4. **Financial Condition.** The franchisor's financial condition, as reflected in its financial statements (see Item 21), calls into question the franchisor's financial ability to provide services and support to you.

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

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

**Introduction**

To simplify the language in this franchise disclosure document (this “Disclosure Document”), we use the terms “we” or “us” to refer to the franchisor, How To Manage A Small Law Firm Franchisor, LLC. When we refer to our affiliates, we will refer to them using the names outlined below. “You” means the person who buys a franchise from us.

**The Franchisor and Our Agents for Service of Process**

We are a limited liability company that was formed in Florida on November 6, 2024. We began offering franchises as of December 12, 2024, the date of this Disclosure Document. We conduct business under our corporate name and the name “How To Manage A Small Law Firm.” Our principal business address is 2801 Florida Avenue, Unit 4, Coconut Grove, Florida 33133. We do not operate businesses of the type being offered in this Disclosure Document, we do not have any other business activities, and we have not offered any franchises in any other lines of business.

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

**Our Parent, Predecessors and Affiliates**

We do not have any predecessors.

Our affiliate, How To Manage A Small Law Firm Franchise Operating Company, LLC (“OpCo”), a Florida limited liability company which shares our principal business address, will enter into membership agreements (“Membership Agreements”) with clients that your Business (defined below) services.

Our affiliate, How To Manage IP Holding Company LLC, a Florida limited liability company (“HTM IP”) which shares our principal business address, owns the Marks (defined below) and will provide trademark license rights in the Marks to us, enabling us to license those Marks to franchisees.

Our and OpCo’s parent is How To Manage A Small Law Firm Franchise Holding Company, LLC (“Holdings”), a Florida limited liability company which shares our principal business address. Except as set forth above, none of OpCo, HTM IP, or Holdings currently own or operate any Businesses or offer franchises for Businesses or any other concepts.

**Affiliated Franchise Program**

We are also under common control with Red Wagon Club Franchise, LLC (“RWC”) which offers franchises for membership-based businesses that provide a variety of educational and social programs and non-legal services to clients. RWC has offered franchises for the “Red Wagon Club” concept since July 2024. As of May 12, 2025, there is one franchised “Red Wagon Club” business in operation. RWC has a principal place of business of 2801 Florida Avenue, Unit 4, Coconut Grove, Florida 33133. RWC has not owned, operated, or offered franchises for Businesses. Except with respect to RWC, neither we nor any of our affiliates currently offers or has offered franchises for any other concept.

**Overview of Franchisor’s Business and Franchise Offered:**

We offer the opportunity to develop and operate a membership-based business operating under the Marks (each, a “Business”) that provides a variety of tiered programs and services to solo and small law

firms (“Members”) that have entered into Membership Agreements with us or our affiliates entitling them to various levels of attention, access, and resources (“Membership Packages”). Some of the deliverables of the Membership Packages are intended to be delivered by us or our affiliates and some of the deliverables are intended to be delivered by you so as to collaboratively provide services to Members.

Current Membership Packages include:

**Foundation Membership Package:** Your Members enrolled in the Foundation Membership Package (each, a “Foundation Member”) receive monthly fractional CEO services provided by you and access to certain events, executive business training, and membership benefits (“Foundation Services”).

**Weekly Fractional CEO, COO, CFO, and/or CMO Membership Package (together, or apart, “Weekly CXO Membership Package”):** Your Members enrolled in the Weekly CXO Membership Package (each, a “Weekly CXO Member”) will receive the Foundation Services as well as fractional officer services that can be mixed and matched depending on the Member’s particular circumstances (“CXO Services”). The Weekly CXO Membership Package (in any combination) brings with it at no additional charge a designated chairperson (a “Chairperson”) to provide the Member with higher-level strategic direction, CXO oversight, and coordination of the CXO Services (“Chairperson Services”). Your Chairperson must initially be you or, if applicable, your Operating Principal (as defined in Item 15).

Examples of our or our affiliates’ deliverables to Members which currently exist and may change or evolve include: a membership website, dashboard, discussion forum, live quarterly all-membership meetings, live and virtual workshops (in between live quarterly all-membership meetings), monthly and weekly group trainings, archives of past trainings, and libraries of resources.

Examples of your deliverables to Members which currently exist and may change or evolve depending upon the applicable Membership Package include: monthly chapter meetings held in your local market open to all Members and either:

- Foundation Membership Package - monthly strategy meetings with a CEO (supporting no more than 100 Members);
- Weekly CXO Membership Package - annual advanced (hot seat style) business plan workshops (typically 12-15 participants) and quarterly strategic business plan update meetings by a Chairperson (supporting no more than 60 Members) supplemented by weekly tactical CEO, COO, CFO, and/or CMO meetings (with each CXO supporting no more than 30 Members).

As a franchisee, you will operate a Business by marketing to prospective Members principally but not exclusively in your local market, following up with prospects to help them select and become enrolled in the appropriate then-available Membership Package, ensuring that all services included in any given Membership Package are delivered in accordance with the System Standards, monitoring and assisting Members to make measurable progress toward their documented goals, and renewing their engagement with OpCo at established standards. OpCo will collect all payments from Members. We will provide you with detailed, transparent, and timely accounting and payment as described in Item 6.

Your Business will operate under the “How To Manage A Small Law Firm” service mark and other trademarks, service marks, logos, and commercial symbols that we periodically authorize (the “Marks”) at a location approved by us (the “Office”). How To Manage A Small Law Firm® franchised businesses will offer only the products and services we authorize, and use our distinctive business formats, business system,

methods, procedures, signs, designs, layouts, standards, specifications, and the Marks, all of which we may periodically improve, further develop, or otherwise modify (collectively, the “System”).

To acquire a franchise for a Business, you must complete the Trial Program (defined below) and enter into a Franchise Agreement (the “Franchise Agreement”), which is attached as Exhibit A-2 to this Disclosure Document. The Franchise Agreement, along with our franchisee policy manual(s) (the “Operations Manual”), which we may modify as we see fit, govern the development and operation of your Business.

Before you sign a Franchise Agreement, you must sign and successfully satisfy the terms of a Trial Agreement (the “Trial Agreement”), which is attached as Exhibit A-1 to this Disclosure Document. Signing the Trial Agreement does not obligate you to purchase a franchise, nor does it obligate us to grant one to you. To be considered for a Franchise Agreement, you must successfully complete the trial program governed by the Trial Agreement (the “Trial Program”). The Trial Program is 210 days and consists of a Trial Period Training Program of 3 to 5 weeks (see Item 11) followed by a trial Membership Agreement sales period. In order to successfully complete the Trial Program, you (or your Operating Partner) and your Designated Manager must complete the Trial Period Training Program, sell at least 20 Membership Agreements during the Trial Program, and satisfy all other requirements of the Trial Program. You will not provide services to Members during the Trial Program. We will pay you \$5,000 per Membership Agreement you sell during the Trial Program. If you successfully complete the Trial Program and opt to pursue a franchise opportunity, you will have the option to credit your commissions toward the initial franchise fee.

### **Overview of Industry and Competition**

The market for businesses providing executive training and fractional executive services is established and competitive, but the market for such programs provided in connection with law firms and solo practitioners is underdeveloped. You will face competition from various national and local businesses which perform training and executive services. You will offer services to a broad range of clients; however, most clients you service will be law firms staffed with 1 to 5 lawyers. The demand for the services offered by your Business is not seasonal.

### **Overview of Industry-Specific Regulations**

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

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

**ITEM 2.**  
**BUSINESS EXPERIENCE**

**RJon Robins: President and Founder**

Mr. Robins has served as our President and Founder since December 2024. Mr. Robins founded How to Manage A Small Law Firm in 2009 and has served as its Chief Executive Officer since its founding. He has also served as President of How To Manage Enterprises, LLC since March 2019 in Miami, Florida. Mr. Robins has also served as a Director of Red Wagon Club Franchise, LLC since June 2024.

**Oscar Ferenczi: Chief Financial Officer**

Mr. Ferenczi has served as our Chief Financial Officer since December 2024 in Miami, Florida. Additionally, Mr. Ferenczi has served as How To Manage Enterprises General Manager since January 2019.

**Nichole Hanscom: Chief Operating Officer**

Ms. Hanscom has served as our Chief Operating Officer since December 2024 in Miami, Florida. Ms. Hanscom has served in various roles for our affiliate, How To Manage A Small Law Firm since May 2017, including as a Fractional COO from May 2017 to June 2020, Lead Management Advisor from June 2020 to January 2024, and Director of Special Projects from January 2024 to December 2024.

**Tania Music: Chief of Staff**

Ms. Music has served as our Chief of Staff since December 2024 in Miami, Florida. Previously, Ms. Music served in various roles for our affiliate, How To Manage A Small Law Firm since April 2019, including Manager of Member Progress from April 2019 to December 2021, Manager of Referrals from January 2022 to December 2023, and Advisor & Special Counsel from January 2024 to November 2024.

**Candice Saltzman: Director of Franchise Development**

Ms. Saltzman has served as our Director of Franchise Development since December 2024 in Miami, Florida. Ms. Saltzman has served in roles for our affiliate, How To Manage A Small Law Firm, since July 2022, including as Senior Talent Acquisition Manager from January 2024 and as Talent Acquisition Manager from July 2022 to January 2024. From January 2020 to July 2022, Ms. Saltzman served as Talent Acquisition for Spooner Physical Therapy in Scottsdale, Arizona. From April 2015 to December 2020, Ms. Saltzman was self-employed as a human resources consultant.

**Christa Robson: Director of Live Events**

Ms. Robson has served as our Director of Live Events since December 2024 in Miami, Florida. Previously, Ms. Robson served in various roles for YPO (Young Presidents' Organization) in Irving, Texas from January 2001 to August 2022, including as Council Director from January 2018 to August 2022 and as Director of Member Care from December 2020 to August 2022. From August 2022 to December 2024, Ms. Robson was self-employed.

**ITEM 3.**  
**LITIGATION**

No litigation is required to be disclosed in this Item.

**ITEM 4.**  
**BANKRUPTCY**

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

**ITEM 5.**  
**INITIAL FEES**

**Initial Franchise Fee**

You will pay us a non-recurring initial franchise fee of \$45,000 (the “Initial Franchise Fee”). The Initial Franchise Fee is due and fully earned by us when you sign the Franchise Agreement, is payable in a lump sum, and is not refundable under any circumstances.

**Trial Program Fee Deposit**

You will pay us a non-recurring trial program fee deposit (the “Deposit”) of \$5,000. The Deposit is due and fully earned by us when you sign the Trial Agreement and is payable in lump sum. We will apply the Deposit toward your Initial Franchise Fee if you successfully complete the Trial Program and sign a Franchise Agreement. The Deposit is not refundable under any circumstances.

**ITEM 6.**  
**OTHER FEES**

| <b>Type of Fee<sup>1</sup></b> | <b>Amount</b>                                                                            | <b>Due Date</b>                                                                                 | <b>Remarks</b>                                                                                                                                                                                                                                                                                                        |
|--------------------------------|------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Foundation Membership Fees     | 80% of amounts collected under Membership Agreements attributable to Foundation Services | We account for these fees monthly by the 15 <sup>th</sup> of each month for the preceding month | We will remit to you 20% of monthly membership dues attributable to Foundation Services under your Membership Agreements. See Note 3.                                                                                                                                                                                 |
| Weekly CXO Membership Fees     | 50% of amounts collected under Membership Agreements attributable to CXO Services        | We account for these fees monthly by the 15 <sup>th</sup> of each month for the preceding month | We will remit to you 50% of monthly membership dues attributable to CXO Services under your Membership Agreements. See Note 3.                                                                                                                                                                                        |
| Brand Fund Contribution        | \$100 per month                                                                          | We account for these fees monthly by the 15 <sup>th</sup> of each month for the preceding month | We have established an advertising fund to be used to promote the awareness of the How To Manage A Small Law Firm brand and Businesses generally (the “Brand Fund”). We may increase the Brand Fund Contribution by up to 10% annually on a compounding basis during the term of the Franchise Agreement. See Note 4. |

| <b>Type of Fee<sup>1</sup></b> | <b>Amount</b>                                                                | <b>Due Date</b> | <b>Remarks</b>                                                                                                                                                                                                                                                                                                                                                         |
|--------------------------------|------------------------------------------------------------------------------|-----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Additional or Ongoing Training | \$1,000 per day, per trainer, plus our expenses                              | As arranged     | If additional training is required after the initial training program, we may charge you a then-current fee for additional training plus our travel and related expenses. See Notes 2 and 4.                                                                                                                                                                           |
| New CXO Training Fee           | \$5,000 per individual, plus our expenses                                    | As arranged     | You must cause any employee you hire to provide CXO Services to attend a training program we approve with respect to the provision of such CXO Services. See Note 4.                                                                                                                                                                                                   |
| Foundation Member Referral Fee | Amount equal to 3 months of franchisee's share of Foundation Membership Fees | As arranged     | Payable if we refer you to an existing Member for which you will provide monthly Foundation Services. You may elect to pay this fee in lump sum upon your engagement with such Foundation Member or in 6 equal monthly installments accruing interest at the lesser of 1.5% per month or the highest commercial contract interest rate allowed by law. See Note 4.     |
| Weekly CXO Member Referral Fee | Amount equal to 5 months of franchisee's share of Weekly CXO Membership Fees | As arranged     | Payable if we refer you to an existing Member for which you will provide weekly CXO Services. You may elect to pay this fee in lump sum upon your engagement with such Weekly CXO Member or in 10 equal monthly installments accruing interest at the lesser of 1.5% per month or the highest commercial contract interest rate allowed by law. See Note 4.            |
| New Member Referral Fee        | Amount equal to 3 months of franchisee's share of Membership Fees            | As arranged     | Payable if we refer you to a prospective Member and you directly cause such prospect to sign a Membership Agreement. You may elect to pay this fee in lump sum upon your engagement with such Member or in 6 equal monthly installments accruing interest at the lesser of 1.5% per month or the highest commercial contract interest rate allowed by law. See Note 4. |
| Member Refund                  | Your share of Membership Fees under a Membership Agreement                   | As incurred     | If a Member becomes entitled to a refund, we will issue such refund directly to the Member and reimburse ourselves for your share of the refund out of future disbursements to you.                                                                                                                                                                                    |

| Type of Fee <sup>1</sup>  | Amount                                                                                   | Due Date                                    | Remarks                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|---------------------------|------------------------------------------------------------------------------------------|---------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Transfer Fee              | 75% of then-current Initial Franchise Fee                                                | At time of transfer                         | <p>Applies to a transfer of your Business' ownership, possession, or control, or substantially all of its assets. This fee covers our assessment of transferee's qualifications, training, and early support. See Item 17.</p> <p>If shares are being transferred between existing owners, or if a new shareholder is being added that does not change the majority ownership of you, the transfer fee is \$1,500.</p> <p>For transfers to existing franchisees, the transfer fee is 33% of the then-current Initial Franchise Fee.</p>                                                                                         |
| Successor Franchise Fee   | 10% of our then-current standard initial franchise fee                                   | At time of election of Successor Franchise  | This fee covers the administrative costs of granting you a Successor Franchise to govern the operation of your Business for an additional term. See Item 17.                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Technology Fee            | Currently, \$50 per month                                                                | Monthly, the 15 <sup>th</sup> of each month | This fee is for technology that we or our affiliates develop or license to you and for other maintenance, support, and technology development services that we or our affiliates provide. The amount of this fee is subject to increase at our discretion commensurate with the technology used in the operation of Businesses; provided, that we will not increase this fee by more than \$500 in any given year of the term of a Franchise Agreement. Currently, you will pay the Technology Fee to us or our affiliates, but we may require you to pay these amounts directly to designated third-party vendors. See Note 4. |
| Interest                  | Lesser of 1.5% per month or the highest commercial contract interest rate allowed by law | As required                                 | Applies to late payments you owe to us. Payment of late fee by you does not waive any of our rights under the Franchise Agreement or law. We may debit your bank account automatically for service charges and interest. See Note 4.                                                                                                                                                                                                                                                                                                                                                                                            |
| Costs and Attorneys' Fees | Our direct costs and attorneys' fees                                                     | As incurred                                 | Payable if you fail to comply with the Franchise Agreement or if we incur legal fees or costs related to a customer of your Business.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |

| Type of Fee <sup>1</sup>            | Amount                                                                           | Due Date                                               | Remarks                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|-------------------------------------|----------------------------------------------------------------------------------|--------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Non-Compliance Fee                  | \$500 per default per month                                                      | As incurred                                            | If you are in default of the Franchise Agreement, we may charge you our then-current non-compliance fee, per month such default remains uncured. The non-compliance fee is payable to us in the same manner as the Brand Fund contribution and is not a waiver of any of our other rights and remedies under the Franchise Agreement. See Note 4.                                                                                                                                                                                                     |
| Insufficient Funds                  | \$250 each instance                                                              | As required                                            | We may charge you this fee for each time you maintain insufficient funds in your Business Account when we attempt to debit such account. We may attempt to debit your account until funds are available (but no more than once every 5 days) and you will be charged this fee for each instance in which the funds are not available. See Note 4.                                                                                                                                                                                                     |
| Alternative Supplier Evaluation Fee | Actual costs                                                                     | When you request an alternative supplier               | If you would like to purchase or use any products, services, supplies or materials from any unapproved supplier, you must submit to us a written request for approval of the proposed supplier before purchasing any such products, services, supplies or materials. If we agree to review such request, you must reimburse us our actual costs incurred in our review. See Item 8 and Note 4.                                                                                                                                                        |
| Indemnification                     | Amount of damages suffered                                                       | As incurred                                            | You must indemnify and hold us harmless for all loss, damage, claims or demands arising from your Business and/or its operations.                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Interim Operations Fee              | 15% of Membership Fees of the Business, plus reimbursement of costs and expenses | As incurred                                            | Due if we (or our designee) agree to assume interim operations of the Business upon your death, disability, request by you or your legal representative, or pursuant to court order.                                                                                                                                                                                                                                                                                                                                                                  |
| Lost Revenue Damages                | The applicable amount of Lost Revenue Damages, as further defined in the Remarks | Within 15 days after Franchise Agreement is terminated | If you terminate the Franchise Agreement without cause or we terminate the Franchise Agreement for your breach, you must pay us an amount equal to the net present value of: (1) the number of calendar months in the Measurement Period, multiplied by (2) the aggregate of your then-current share of Membership Fees under each of your Membership Agreements plus the then-current Brand Fund contribution fee. The "Measurement Period" is equal to the lesser of two years or the scheduled expiration of the term of your Franchise Agreement. |

| Type of Fee <sup>1</sup>         | Amount                                                                                                                                   | Due Date                  | Remarks                                                                                                                                                                                                                                                                        |
|----------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Insurance                        | Cost of premium paid by us, plus a 10% service charge                                                                                    | As incurred               | Paid only if you do not maintain insurance as required by us, and we choose to pay the policy premium(s) to keep the insurance in full force for your Business. We are not obligated to make such payment(s). See Note 4.                                                      |
| Taxes                            | Amount of taxes due, plus a 10% administrative fee                                                                                       | As incurred               | Payable if you fail to timely pay any tax due required by law and we make such payment(s) on your behalf. See Note 4.                                                                                                                                                          |
| Franchisor Training Compensation | \$70,000 if you hire our employee without our prior written consent, or \$30,000 if you hire our employee with our prior written consent | As arranged               | If you employ one of our employees (or an individual that was one of our employees within 90 days of the date you employ them) that provides our Members Foundation Services and/or CXO Services, you will pay us this fee to compensate us for our training of such employee. |
| Audit                            | Actual costs, plus out-of-pocket expenses                                                                                                | Within 15 days of invoice | You must pay all costs related to our audit of your books and records if we conduct the audit because you fail to timely furnish required reports or if the audit reveals that you have understated or underpaid the amounts you owe by more than 2%. See Note 4.              |

**Accompanying Footnotes:**

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

You must set up a business checking account with our approved vendor, if any, or a vendor we otherwise approve (your “Business Account”). Each month, on a date we determine (currently the 15<sup>th</sup> day of each calendar month), you will remit to us via electronic debit an amount equal to all payments due from you to us or our affiliates (other than Membership Fees), including but not limited to Brand Fund Contributions for the prior month (the “Balance Payment”).

2. *Additional or Ongoing Training.* We do not charge a fee for attendance at our initial training program by 2 of your owners or representatives. We also do not charge a fee to send our training and opening team to your Business. If we determine that your Operating Principal or your Designated Manager (as defined in Item 15), if applicable, are not properly trained to provide the services offered by your Business, we may require such person to cease providing services for your Business and/or to be trained by us at our then-current training fee. In addition, if we determine that you or your Designated Manager require refresher training during the term of the Franchise Agreement, we may require such

individuals to retake all or a portion of the Initial Training Program (as defined in Item 11). Additional training will be provided at the times and location(s) of our choice, whether requested by you or us. You will be charged the then-current rate for additional training, plus the cost of transportation, lodging, and other associated expenses.

3. *Membership Fees.* Currently, our affiliate, OpCo, will enter into Membership Agreements with the Members of your Business and will collect the membership fees paid under such agreements (the “Membership Fees”). On or before the 15<sup>th</sup> day of each calendar month, we will remit to you an amount equal to your share of the Membership Fees that OpCo collects from Members during the preceding month. However, we may elect to have you enter into Membership Agreements directly with your Members, in which case you would collect such membership fees and remit to us our share of such fees. Currently, the standard monthly Membership Fee for a Foundation Membership Package is \$2,500 and the standard monthly Membership Fee Weekly CXO Membership Package is an additional \$2,000 per CXO service added to the Foundation Membership Package.

4. *Payment of Fees.* We will debit these fees from the Membership Fees payments we remit to you.

## **ITEM 7.**

### **ESTIMATED INITIAL INVESTMENT**

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

| <b>Type of Expenditure<sup>1</sup></b>                          | <b>Amount</b>                              | <b>Method of Payment</b> | <b>When Due</b>                | <b>To Whom Payment Is To be Made</b> |
|-----------------------------------------------------------------|--------------------------------------------|--------------------------|--------------------------------|--------------------------------------|
| Trial Agreement Deposit <sup>2</sup>                            | \$5,000                                    | Lump Sum                 | On signing Trial Agreement     | Us                                   |
| Initial Franchise Fee <sup>2</sup>                              | \$45,000, less the Trial Agreement Deposit | Lump Sum                 | On signing Franchise Agreement | Us                                   |
| Leasehold Improvements <sup>3</sup>                             | \$0 to \$1,500                             | As Incurred              | As Agreed                      | Outside suppliers                    |
| Rent and Security Deposits for Lease and Utilities <sup>3</sup> | \$1,000 to \$4,400                         | As Incurred              | Lump Sum                       | Outside suppliers                    |
| Furniture and Fixtures <sup>4</sup>                             | \$0 to \$2,000                             | As Incurred              | As Agreed                      | Outside suppliers                    |
| Software and Phone System <sup>5</sup>                          | \$1,500 to \$4,000                         | As Incurred              | As Agreed                      | Outside suppliers                    |
| Office Equipment & Supplies                                     | \$500 to \$2,000                           | As Incurred              | As Agreed                      | Outside suppliers                    |
| Business Licenses & Permits                                     | \$100 to \$500                             | As Incurred              | Lump Sum                       | Outside suppliers                    |
| Professional Fees <sup>6</sup>                                  | \$1,000 to \$3,000                         | As Incurred              | Lump Sum                       | Third parties                        |
| Initial Inventory                                               | \$500 to \$1,000                           | As Incurred              | Lump Sum                       | Outside suppliers                    |
| Insurance <sup>7</sup>                                          | \$1,250 to \$5,000                         | As Incurred              | Lump Sum                       | Third parties                        |
| Training Expenses <sup>8</sup>                                  | \$6,000 to \$9,000                         | As Incurred              | As Incurred                    | Third parties                        |

| Type of Expenditure <sup>1</sup>              | Amount                       | Method of Payment | When Due    | To Whom Payment Is To be Made                   |
|-----------------------------------------------|------------------------------|-------------------|-------------|-------------------------------------------------|
| Initial Launch Marketing Program <sup>9</sup> | \$5,000 to \$10,000          | As Incurred       | Lump Sum    | Us and third parties                            |
| Additional Funds – 3 Months <sup>10</sup>     | \$21,000 to \$34,000         | As Incurred       | As Incurred | Employees, landlord, suppliers, utilities, etc. |
| <b>TOTAL</b>                                  | <b>\$82,850 to \$121,400</b> |                   |             |                                                 |

### **Accompanying Footnotes:**

1. *General.* Amounts payable to us are non-refundable, unless otherwise indicated. Amounts payable to others (landlord, contractors, vendors, local agents, airlines, hotels, restaurants, suppliers, attorneys, accountants, and consultants etc.) may be refundable based on their policies and your agreements with them.

2. *Trial Agreement Deposit; Initial Franchise Fee.* The Trial Agreement Deposit is due and fully earned by us when you sign the Trial Agreement. The Initial Franchise Fee is due and fully earned by us when you sign the Franchise Agreement and is not refundable under any circumstances. We will credit the Deposit against the Initial Franchise Fee if you successfully complete the Trial Program and elect to sign a Franchise Agreement.

3. *Leasehold Improvements; Rent and Security Deposits for Lease and Utilities.* Lease build-out requirements may include, but not be limited to, building walls, installing doors, building wall dividers, installing flooring and building counters. The Leasehold Improvements low-end assumes that the Office you rent does not require any build-out.

4. *Furniture & Fixtures.* These amounts will vary depending on the location and size of your office, including the type of equipment you purchase, and the overall set-up of your Office. Because we do not designate required furniture and fixtures for your Office, the low-end of this estimate assumes that you already own sufficient furniture and fixtures.

5. *Software and Phone System.* You must acquire business management services software, phone systems, and such other computer hardware, software, and technology that we periodically specify to be used in connection with your Business (the “Technology System”). We estimate the cost of the business management services software to be between \$20 to \$200 per month, per user over the three-month period after you commence operations of your Business.

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

7. *Insurance.* You must, at your own expense, keep in force insurance policies for your Business. We may change types and amounts of coverage. This estimate is based on our current requirements. Your lease agreement may require higher insurance limits than those stated above. You may have to prepay a portion of the first year’s premiums for insurance.

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

9. *Initial Launch Marketing Program.* From the effective date of your Franchise Agreement through the date you commence operations of your Business, you must spend at least \$5,000 on marketing for your Business. Such programs and events and the materials you use in connection therewith, are subject to our approval.

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

## **ITEM 8.**

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

#### **Standards and Specifications**

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

#### **Designated and Approved Suppliers**

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

list of designated and approved suppliers is maintained in the Operations Manual, which we may periodically update. Currently, neither we nor our affiliates are approved suppliers for products or services of Businesses.

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

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

Currently, neither we nor our affiliates or officers currently own an interest in any supplier of products or services to our franchisees.

### **Insurance**

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

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

| Coverage Types    | Required Limits of Coverage                                                                                   |
|-------------------|---------------------------------------------------------------------------------------------------------------|
| General Liability | \$1 million per occurrence, \$3 million aggregate                                                             |
| Auto Liability    | \$1,000,000 combined single limit for all owned, non-owned and hired vehicles used in the franchised business |
| Business Property | Special form coverage on all assets including but not limited to furniture,                                   |

| Coverage Types                                    | Required Limits of Coverage                                                                                                                                                                                                                                |
|---------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                   | fixtures, equipment, inventory, and supplies used in the operation of your franchised business at 100% of its Replacement Cost value                                                                                                                       |
| Business Interruption                             | For not less than 12 months Actual Loss Sustained basis and include extended period of indemnity for 180 days                                                                                                                                              |
| Employer Liability                                | \$1 million per occurrence/employee with cost of defense outside the policy limits                                                                                                                                                                         |
| Workers Compensation                              | Statutory, as required by the franchisee's state of operation                                                                                                                                                                                              |
| Employment Practices Liability                    | \$250,000 for employment practices wrongful acts; including third party coverage for harassment and discrimination of non-employees, and including Wage & Hour defense. The policy must name us as co-defendant, and as an additional insured if available |
| Cyber Liability                                   | \$100,000 to cover any claims related to including but not limited to first and third party cyber breaches and defense and recovery expenses                                                                                                               |
| Errors & Omissions (E&O) (Professional Liability) | \$2,000,000 per occurrence; \$4,000,000 aggregate                                                                                                                                                                                                          |
| Umbrella                                          | \$4,000,000 aggregate                                                                                                                                                                                                                                      |

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

### **Use of Alternative Suppliers**

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

There are currently no purchasing or distribution cooperatives in place related to Businesses. We do not provide any material benefits to franchisees based on a franchisee's purchase of particular services or use of particular suppliers. We may negotiate purchase arrangements with some of our suppliers (including price terms) for the benefit of franchisees, but we are under no obligation to do so. We do not currently receive payment, in the form of preferred pricing or rebates, from any suppliers due to franchisee

purchases from such suppliers. Because we started offering franchises at the Issuance Date of this Disclosure Document and we are in our first fiscal year, neither we nor our affiliates have derived any revenue from vendors based on required purchases by franchisees during any prior fiscal year.

We estimate that 70% of your initial investment and 30% of your ongoing expenditures will require you to purchase products and services that will be restricted by us in some manner. You will not receive any material benefits from your compliance with these standards and specifications, or from your purchases from designated or approved vendors.

## **ITEM 9.**

### **FRANCHISEE'S OBLIGATIONS**

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

| <b>Obligation</b>                                          | <b>Section in Franchise Agreement or related Agreement(s)</b>        | <b>Item in Disclosure Document</b> |
|------------------------------------------------------------|----------------------------------------------------------------------|------------------------------------|
| a. Site selection and acquisition/lease                    | Franchise Agreement Sec. 4.A                                         | 11, 12                             |
| b. Pre-opening purchases and leases                        | Franchise Agreement Secs. 4.B, 4.C, 9.C                              | 7, 11                              |
| c. Site development and other pre-opening requirements     | Franchise Agreement Secs. 4.A, 4.B, 5.A                              | 7, 11                              |
| d. Initial and ongoing training                            | Franchise Agreement Secs. 5.A, 5.B<br>Trial Agreement Sec. 2         | 6, 7, 11                           |
| e. Opening                                                 | Franchise Agreement Sec. 4.E                                         | 11                                 |
| f. Fees                                                    | Franchise Agreement Secs. 6<br>Trial Agreement Sec. 4                | 5, 6, 7, 11                        |
| g. Compliance with standards and policies/operating manual | Franchise Agreement Secs. 4.A, 5.C, 9.A                              | 1, 11                              |
| h. Trademarks and proprietary information                  | Franchise Agreement Secs. 5.C, 9.A, 13<br>Trial Agreement Secs. 5, 6 | 11, 13, 14                         |
| i. Restrictions on products / services offered             | Franchise Agreement Sec. 9.A, 9.C, 9.D<br>Trial Agreement Sec. 3     | 11, 13, 16                         |
| j. Warranty and customer service requirements              | Franchise Agreement Sec. 6.D, 9.E                                    | 11                                 |
| k. Territorial development and sales quotas                | Franchise Agreement Sec. 3.B                                         | 6, 12                              |
| l. Ongoing product/service purchases                       | Franchise Agreement Sec. 9                                           | 8                                  |
| m. Maintenance, appearance, and remodeling requirements    | Franchise Agreement Secs. 9.A, 9.B                                   | 7, 11                              |
| n. Insurance                                               | Franchise Agreement Sec. 10                                          | 6, 8                               |
| o. Advertising                                             | Franchise Agreement Sec. 11                                          | 6, 7, 11                           |
| p. Indemnification                                         | Franchise Agreement Sec. 12.D                                        | 6                                  |
| q. Owner's participation / management / staffing           | Franchise Agreement Secs. 9.G, 12.A                                  | 11, 15                             |

| <b>Obligation</b>               | <b>Section in Franchise Agreement or related Agreement(s)</b>    | <b>Item in Disclosure Document</b> |
|---------------------------------|------------------------------------------------------------------|------------------------------------|
| r. Records and reports          | Franchise Agreement Sec. 14                                      | 6                                  |
| s. Inspections and audits       | Franchise Agreement Sec. 15                                      | 6                                  |
| t. Transfer                     | Franchise Agreement Sec. 16                                      | 6, 17                              |
| u. Renewal                      | Franchise Agreement Sec. 3.c                                     | 17                                 |
| v. Post-termination obligations | Franchise Agreement Sec. 18                                      | 17                                 |
| w. Non-competition covenants    | Franchise Agreement Secs. 8, 18.E<br>Trial Agreement Secs. 9, 10 | 15, 17                             |
| x. Dispute resolution           | Franchise Agreement Sec. 20<br>Trial Agreement Sec. 13           | 17                                 |
| y. Guaranty                     | Franchise Agreement Sec. 2, Attachment B                         | 15                                 |

### **ITEM 10. FINANCING**

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

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

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

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

1. Conduct the Trial Program which includes the Trial Period Training Program over 3 to 5 weeks at one of or a combination of our corporate offices, remotely, or at a training location we designate and a trial Membership Agreement sales period of 180 days period, (Trial Agreement, 1);
2. Provide you with our list of third-party suppliers and standards and specifications for all required equipment, furniture, fixtures, and signs. We do not deliver or install these items. (Franchise Agreement, 4.C);
3. Conduct the Initial Training Program for your Operating Partner and Designated Manager, if applicable, over a 9-week period, at one of or a combination of our corporate offices, remotely, or at a training location we designate (Franchise Agreement, 5.A);
4. Provide you with access to our Operations Manual for use during the term of your Business, via a restricted website, intranet, or via other electronic means (including by sending to you via e-mail) (Franchise Agreement, 5.C);
5. Provide you with our then-current standard form of Membership Agreement and, through our affiliate, OpCo, enter into Membership Agreements with your Business's Members. (Franchise Agreement, Section 9.I);
6. Review and, if acceptable, approve your initial launch marketing program (Franchise Agreement, Section 11.A); and

7. Provide you access to materials for use in promoting products and services of your Business (Franchise Agreement, 11.D).

### **Site Selection**

You will operate your Business from the Office at a defined location. We expect that you will designate, and we will approve, a site for your Office prior to you executing your Franchise Agreement. However, if no site has been approved prior to you and us entering into the Franchise Agreement, you must receive our approval for the site of your Office before you complete the Initial Training Program. We do not provide site selection services or any assistance with (a) conforming the premises to local ordinances and business codes, (b) obtaining required permits, or (c) constructing, remodeling, or decorating the premises. We also do not typically own any premises leased by franchisees from which Franchised Businesses operate. We will condition our approval of a proposed location on whether the site is sufficient for operating your Business, looking at factors such as your ability to access the site easily and access to stable Internet connection. We will also look at factors such as demographic characteristics, character of the neighborhood, proximity of competition, and the size, appearance and other physical characteristics of the premises. If, for any reason, there is no agreement on a site from which you will operate your Business, we may terminate the Franchise Agreement.

Your selection of a site for the Office is based on your own independent investigation of the site's suitability for a Franchised Business. You will submit to us a complete report for the site you propose for your Business. Your report must contain the documents and information we require, including a description of the proposed site, and a letter of intent or other evidence confirming your favorable prospects for obtaining the proposed site. Though we are not obligated under the Franchise Agreement to respond to your request for approval of a proposed site within a designated time frame, we will use reasonable efforts to accept or not accept the proposed site within 30 days after receiving your report. While you do not need to operate the Business from a commercial space, you must begin operating your Business no later than 30 days after the effective date of the Franchise Agreement, or we have the right to terminate your Franchise Agreement.

### **Operations Manual**

The table of contents of the current version of the Operations Manual is included as Exhibit D. Our current version of the Operations Manual has 150 pages. Under the terms of the Franchise Agreement, we may revise the Operations Manual at any time, and you will be obligated to adhere to those revised specifications and requirements.

### **Time Between First Payment and Business Operations**

The typical length of time between signing the Franchise Agreement and opening your Business is 90 days. If you do not commence operations of your Business within 180 days of signing the Franchise Agreement, we may terminate the Franchise Agreement. However, we may extend the required time frame for commencement of your Business upon written request by you. The main factors in determining the length of time between signing a Franchise Agreement and opening a Business are the amount of time to complete the Initial Training Program, obtain the required insurance coverage and hire any additional staff. We do not deliver or install any equipment, signs, or fixtures that are required to be used in your Business.

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

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

We may also decide to require fixed maximum or minimum prices for any products or services that you offer in connection with your Business (Franchise Agreement, Section 9.H).

## **Marketing**

### **Initial Launch Marketing Program**

You must spend at least \$5,000 for a grand opening marketing program for your Business to take place on the dates we designate before your Business opens. You must spend this amount in addition to all other amounts you must spend on advertising specified in the Franchise Agreement. The amount you spend on the initial launch marketing program will not count towards your Advertising Requirement (defined

below). You must use the media, materials, programs and strategies we develop or approve in connection with the initial launch marketing program.

### Brand Fund

We have established and will administer a Brand Fund to promote the awareness of the How To Manage A Small Law Firm brand (the “Brand”) and Businesses generally. You must contribute to the Brand Fund the amount that we determine, currently \$100 per month. The amount of the Brand Fund contribution is subject to change, but we cannot increase the amount you must contribute to the Brand Fund by more than 10% in any calendar year.

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

While references to the availability of franchises may appear in marketing materials, the Brand Fund will not be used primarily to sell franchises.

We do not assume or owe any fiduciary obligation to you in respect of those contributions or for administering the Brand Fund. We will prepare an annual, unaudited statement of Brand Fund collections and expenses and, once prepared, give you the statement for the most recently completed fiscal year upon your written request. We may have the Brand Fund audited annually, at the Brand Fund’s expense, by an independent certified public accountant.

We are not required to spend any amount on advertising in the geographic area of any Business, whether from the Brand Fund or otherwise.

Franchisees may pay Brand Fund contributions at a different rate. If we terminate the Brand Fund, we will, at our option, either spend all unspent monies at our discretion, until such amounts are exhausted, or distribute the funds in the Brand Fund to the contributing Business owners in a manner we deem fair and equitable.

We do not have any franchisees as of the issuance date of this Disclosure Document, and therefore we did not collect any Brand Fund contributions or spend any amounts from any Brand Fund on media production, media placement, administration, or to solicit new franchise sales in our most recently completed fiscal year. We did not collect any Brand Fund contributions from corporate-owned Businesses in our prior fiscal year. Businesses owned by us and our affiliates are not required to contribute to the Brand Fund.

Other than the Brand Fund, you are not required to participate in any local or regional advertising cooperative. We have no advertising councils. Other than the Brand Fund, there are no advertising funds in which you must participate.

### Local Advertising

You must spend, monthly, a minimum of \$1,000 to advertise and promote your Business (the “Advertising Requirement”). You must list and advertise your Business with the online directories we periodically prescribe and establish any other Online Presence (as defined in Item 13, below) we require or authorize, each in accordance with our System Standards. If other Businesses are located within the directory’s distribution area, we may require you to participate in a collective advertisement with them and to pay your share of that collective advertisement. Within 30 days after the end of each calendar quarter, we may require that you provide, in the manner that we prescribe, an accounting of the Advertising Requirement expenditures during the preceding calendar quarter.

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

### Online Presences

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

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

We may market the System on the Internet, including ownership and use of any Online Presence and Contact Identifiers. We will maintain one or more consumer-focused websites for the Brand (the “System Website”) and list and advertise your Business on all major Internet search engines, and on all major Internet consumer review websites.

### Technology System

You must obtain and use all aspects of the Technology System, including the computer hardware, software, and technology services we periodically designate. Currently, the Technology System consists of: computers, CRM platform, a member management platform, a franchisee portal, QuickBooks Online, a

dedicated Zoom account which will include a dedicated phone line, dedicated ISP and WiFi, and an Office365 account and email. We may modify specifications for and components of the Technology System at any time during the term of your Franchise Agreement, which will be reflected in the Operations Manual, and there are no limitations on our ability to do so. You are responsible for ensuring all required upgrades, patches, new releases or updates to any aspect of the Technology System are downloaded and implemented, and there are no contractual limitations on the frequency or any associated costs associated with this obligation (if any). We may periodically require you to purchase, lease, and/or license new or modified computer hardware and/or software and to obtain service and support for the Technology System. Currently, we estimate the Technology System to cost approximately \$1,500 to \$4,000, plus additional expenses related to acquiring and maintaining required software programs (including licenses for business management services software, which we estimate to be \$20 per month to \$200 per month). We and our affiliates have no obligation to provide ongoing maintenance, repairs, upgrades or updates for the Technology System, and any such obligation would be those of the software licensors. In addition to the Technology Fee (currently, \$50 per month), we estimate those costs to be \$1,500 to \$4,000 per year, which may vary depending on the vendor and the maintenance or support required.

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

### **Training Programs**

As part of the Trial Program, we will provide you with a trial period training program (the “Trial Period Training Program”) focused on marketing and sales of Membership Packages. Currently, the Trial Period Training Program is 3 to 5 weeks. You must complete the Trial Period Training Program within 35 days of executing the Trial Agreement. Your completion of the Trial Period Training Program is a condition to you being authorized to participate in trial Membership Agreement sales. We currently offer the Trial Period Training Program on a regularly scheduled, as-needed basis, but we may periodically modify this schedule at any time. If you fail to complete the Trial Period Training Program, we may elect to terminate the Trial Agreement or you and we may agree to extend the Trial Period Training Program and require you to attend additional training.

Under the Franchise Agreement, we will provide your Operating Principal and your Designated Manager, if applicable, with an initial training program for the operation of a Business and providing services (either directly or by supervising those who provide them) to Members under the different Membership Packages (the “Initial Training Program”). Currently, the Initial Training Program is a combined format of digital and in-person training and consists of 12 weeks of training (11 weeks of virtual training and 4-5 days of in-person training).

Your Operating Principal and your Designated Manager, if applicable, must complete the Initial Training Program to our satisfaction within 90 days of signing the Franchise Agreement. If your Operating Principal and your Designated Manager, if applicable and any other required trainees (detailed below) fail to complete the Initial Training Program to our satisfaction within such 90-day period, we may require you to attend additional training. If you or we determine that additional training is needed during the term of the Franchise Agreement, we may provide up to 3 additional days of training to you at our then-current fee for additional training (currently \$1,000 per trainer, per day, plus costs and expenses). Additionally, each of your employees providing CXO Services to members must complete our then-current training for such CXO Services at your expense (currently, \$5,000 per attendee).

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

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

We currently offer the Initial Training Program on a regularly scheduled, as-needed basis, but we may periodically modify this schedule at any time. Should you request that we send on-site assistance to your Business at any time during the term of your Franchise Agreement, or should we find it necessary to provide such on-site assistance for any reason, you will be charged then-current training fee (currently, \$1,000 per day, per trainer), plus travel and living expenses and out-of-pocket costs.

Our Initial Training Program is conducted primarily by Nichole Hanscom, who has 25 years of experience in the subjects taught and has been with us since our inception in 2024. Other individuals who may provide portions of our training program include Tania Music, our Chief of Staff, who has over 25 years of experience in the subjects taught and has been with us since our inception in 2024, and Evelyn Aucoin, our Financial Strategy Subject-Matter Expert, who has over 35 years of experience in the subjects taught and has been with us since our inception in 2024.

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

### **TRAINING PROGRAM**

| <b>Trial Period Training Program</b>        |                                    |                                     |                                                      |
|---------------------------------------------|------------------------------------|-------------------------------------|------------------------------------------------------|
| <b>Subject</b>                              | <b>Hours of Classroom Training</b> | <b>Hours of On-The-Job Training</b> | <b>Location</b>                                      |
| HTM Introductions to Frameworks and Mindset | 40                                 | 0                                   | Virtual or In-Person at our office in Miami, Florida |
| Money & Metrics Part of the Business        | 10                                 | 0                                   | Virtual                                              |

| <b>Trial Period Training Program</b>                          |                                    |                                     |                                                                                                                |
|---------------------------------------------------------------|------------------------------------|-------------------------------------|----------------------------------------------------------------------------------------------------------------|
| <b>Subject</b>                                                | <b>Hours of Classroom Training</b> | <b>Hours of On-The-Job Training</b> | <b>Location</b>                                                                                                |
| Marketing                                                     | 30                                 | 0                                   | Virtual                                                                                                        |
| Sales & Retention                                             | 20                                 | 0                                   | Virtual                                                                                                        |
| People                                                        | 5                                  | 0                                   | Virtual                                                                                                        |
| Production/SKUs                                               | 5                                  | 0                                   | Virtual                                                                                                        |
| Physical Plant (Technology, Insurance, Policies & Procedures) | 5                                  | 0                                   | Virtual                                                                                                        |
| Business Planning & Business Advising                         | 10                                 | 0                                   | Virtual                                                                                                        |
| Interacting with Members, Workshop Facilitation               | 0                                  | 40                                  | In-person at to-be determined locations for Member workshops and live quarterly meetings, as well as virtually |
| <b>Total</b>                                                  | <b>125</b>                         | <b>40</b>                           |                                                                                                                |

| <b>Initial Training Program</b>                               |                                    |                                     |                                                                                                                |
|---------------------------------------------------------------|------------------------------------|-------------------------------------|----------------------------------------------------------------------------------------------------------------|
| <b>Subject</b>                                                | <b>Hours of Classroom Training</b> | <b>Hours of On-The-Job Training</b> | <b>Location</b>                                                                                                |
| HTM Introductions to Frameworks and Mindset                   | 5                                  | 0                                   | Virtual or In-Person at our office in Miami, Florida                                                           |
| Money & Metrics Part of the Business                          | 50                                 | 0                                   | Virtual                                                                                                        |
| Marketing                                                     | 30                                 | 0                                   | Virtual                                                                                                        |
| Sales & Retention                                             | 15                                 | 0                                   | Virtual                                                                                                        |
| People                                                        | 10                                 | 0                                   | Virtual                                                                                                        |
| Production/SKUs                                               | 5                                  | 0                                   | Virtual                                                                                                        |
| Physical Plant (Technology, Insurance, Policies & Procedures) | 15                                 | 15                                  | Virtual                                                                                                        |
| Business Planning & Business Advising                         | 80                                 | 0                                   | Virtual                                                                                                        |
| Interacting with Members, Workshop Facilitation               | 10 - 15                            | 20                                  | In-person at to-be determined locations for Member workshops and live quarterly meetings, as well as virtually |
| <b>Total</b>                                                  | <b>220 - 225</b>                   | <b>35</b>                           |                                                                                                                |

### **Additional Training and Conferences**

We may require you (or your Operating Principal) and/or your Designated Manager and any of your employees and/or contractors working with Members to attend various ongoing training events, participate in online sessions, view training videos and/or attend regional training or training at another event such as an annual meeting or convention, at the times and locations designated by us, including courses and programs provided by third parties we designate. Currently, we require you (or your Operating Principal) and/or your Designated Manager to attend virtual weekly training ranging from 60 to 90 minutes per week (“Weekly Additional Training”). Currently, we do not charge a fee for the Weekly Additional Training. Besides attending these training courses, programs, and events, we may also require you to attend an annual conference of franchise owners. We will decide when and where this conference will be held, which may include virtual platforms. In addition to the Weekly Additional Training, attendance at other additional training courses, programs, events, or the annual franchise owner conference may be required for up to 10 days during a calendar year (which days may not necessarily be consecutive). We may charge a fee for these types of ongoing training activities (currently, \$1,000 per day, per trainer), and you will be responsible for all costs associated with attending such programs, courses, events, or meetings.

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

### **ITEM 12.** **TERRITORY**

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. There are no minimum territorial boundaries granted to you. You may only provide services in connection with your Business to clients who are located within the United States.

We and our affiliates, ourselves or through authorized third parties, retain the right to engage in any and all activities that we (or they) deem appropriate and are not expressly prohibited under the Franchise Agreement. We may use any channel of distribution, (including the Internet, catalog sales, telemarketing, and other direct marketing channels) to make sales anywhere, using the Marks or any other trademarks. We will not compensate you for soliciting or accepting orders from clients anywhere.

You must operate your Business from a location approved by us. You must obtain our approval prior to relocation, which will not be unreasonably withheld.

You may not solicit Members of another Businesses without consent of such Business’s franchisee and payment of a member transfer fee directly to such franchisee in an amount agreed to by you and such franchisee. Except as set forth above, there are no limitations on your ability to solicit customers in any

location, including through alternative distribution channels including the Internet, catalog sales, telemarketing, or other direct marketing sales.

### **Affiliated Franchise Program**

As described further in Item 1, we are under common control with RWC. Currently, RWC does not offer franchises providing management, advisory fractional executive, training, and educational services to law firms, but they may offer one or more other products that are also offered by Businesses. For example, businesses operated under the “Red Wagon Club” brand may offer social membership benefits that are similar to those offered by Businesses. RWC may operate, grant franchises, or solicit or accept orders anywhere in the world. If a conflict arises between any Business and any business operated or franchised by us or an affiliate of ours, we will analyze the conflict and take any action or no action as we deem appropriate. RWC’s principal business address is in Item 1. RWC currently operates from separate corporate offices and training facilities from us.

### **Additional Rights**

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

## **ITEM 13.** **TRADEMARKS**

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

| Mark                                                                                | Registration No. | Registration Date |
|-------------------------------------------------------------------------------------|------------------|-------------------|
| HOW TO MANAGE A SMALL LAW FIRM (Word Mark)                                          | 4797006          | August 18, 2015   |
| HOW TO MANAGE A SMALL LAW FIRM.COM (Word Mark)                                      | 4676890          | January 20, 2015  |
| HOW TO MANAGE A SMALL LAW FIRM (Word Mark)                                          | 7433133          | July 2, 2024      |
|  | 7179840          | October 3, 2023   |

| Mark                                                                                | Registration No. | Registration Date  |
|-------------------------------------------------------------------------------------|------------------|--------------------|
|    | 7182734          | October 3, 2023    |
|    | 7499085          | September 10, 2024 |
| HAPPY LAWYERS MAKE MORE MONEY (Word Mark)                                           | 4907220          | March 1, 2016      |
| THE 7 PARTS OF A SUCCESSFUL BUSINESS (Word Mark)                                    | 5120504          | January 10, 2017   |
| IRON SHARPENS IRON (Word Mark)                                                      | 7273901          | January 16, 2024   |
|  | 4915472          | March 8, 2016      |

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

We grant you a non-exclusive license to use the Marks to operate your Business, subject to the terms of your Franchise Agreement and as limited by the License Agreement (defined below). You must at all times faithfully, honestly, and diligently promote the Marks in connection with operating your Business. You may use the Marks only for your Business, and only according to your Franchise Agreement and in

accordance with System Standards. You have no right to sublicense or assign your right to use the Marks. You may not use any other trademarks, service marks or commercial symbols to identify or operate your Business.

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

We license the Marks from HTM IP under a License Agreement dated December 5, 2024 (the “License Agreement”). The term of the License Agreement will continue for 99 years from its effective date unless terminated. The License Agreement may be terminated (resulting in the loss of our right to use and to sublicense the use of the Marks to you) by mutual agreement of the parties, or by HTM IP for a number of reasons, including if we default on any obligations, we are dissolved, make an assignment for the benefit of creditors, become insolvent, consent to appointment of a receiver, or our business is seized, or the parties cease to be affiliates. All rights in and goodwill from the use of the Marks accrue to HTM IP. Except as described above, no agreement significantly limits our rights to use or sublicense the Marks in a manner material to the franchise.

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

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

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

to the proceeding. At our option, we and/or HTM IP may defend and control the defense of any proceeding from your use of any Mark under the Franchise Agreement.

#### **ITEM 14.**

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

We do not own any patents that are material to the franchise. We have not filed any patent applications that are material to the franchise.

Various marketing, sales, training, and management materials which we have created, including the Operations Manual, marketing materials, newsletters, Member training materials and books, and advertising and promotional materials, used in operating a Business, are protected under the U.S. Copyright Act, whether or not we have obtained registrations. You may use these copyrighted materials during the term of the franchise, in a manner consistent with our ownership rights, for the purpose of operating and promoting your Business, but you do not receive any rights in those materials.

There are no determinations of the U.S. Copyright Office (Library of Congress) or any court, nor are there any pending infringement, opposition or cancellation proceedings or material litigation, involving the copyrighted materials which are relevant to their use by our franchisees.

No agreements limit our right to use or license the use of our copyrighted materials. We are not obligated under any agreement to protect or defend our copyrights or to otherwise take affirmative action when notified of infringement, although we may do so. We do not know of any infringing uses of or superior rights in our copyrighted materials. We may require you to modify or discontinue using any of our copyrighted materials or portions of our copyrighted materials at any time. You must immediately comply with such directions without compensation.

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

You must promptly disclose to us all ideas, concepts, methods, techniques, and products conceived or developed by you and/or any of your affiliates, owners, agents, representatives, contractors or employees relating to the development or operation of your Business or other Businesses (“Innovations”), whether or not protectable intellectual property and whether created by or for you or your owners or employees. All Innovations are our sole and exclusive property and works made-for-hire for us and shall constitute our Confidential Information. To the extent any Innovation does not qualify as a work made-for-hire for us, by

this Section you assign ownership of that Innovation, and all related rights to that Innovation, to us and will sign (and to cause your owners, employees, and contractors to sign) whatever assignment or other documents we request to evidence our ownership or to help us obtain intellectual property rights in the Innovation. We and our affiliates have no obligation to make any payments to you or any other person with respect to any Innovations. You may not use any Innovation in operating your Business or otherwise without our prior written approval.

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

All Confidential Information is owned by us or our affiliates and you will use the Confidential Information only for the development, promotion, and operation of your Business. You will not use or sell Confidential Information to any third parties, and you will comply with all applicable laws governing the use and protection of Confidential Information.

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

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

You or your Operating Principal, as applicable, must serve as your initial Chairperson and provide the Chairperson Services to your Weekly CXO Members. If you wish to hire an additional Chairperson, you may appoint your Designated Manager or a third-party we approve to provide the Chairperson Services.

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

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

#### **ITEM 16.**

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

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

You must: (1) offer for sale or sell in connection with your Business the products and services that we periodically specify; (2) offer for sale or sell in connection with your Business approved products and services only in the manner we have prescribed; (3) not offer for sale or sell in connection with your Business any products or services we have not approved; (4) discontinue selling and offering for sale any products or services that we at any time decide to disapprove; and (5) purchase and use only the brands, types, or models of products, materials, packaging, supplies and services (including the Operating Assets and the Technology System) that we designate for operating your Business. You may not, through your Business, offer or provide legal services.

While you will market and promote Membership Agreements to potential clients, you may not enter into Membership Agreements with any of your clients. Rather, your clients will enter into Membership Agreements with OpCo under which you will provide services to such Members. You may not offer services to Members of other franchised Businesses without the consent of such other franchisee.

#### **ITEM 17.**

#### **RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION**

#### **THE FRANCHISE RELATIONSHIP**

**This table lists important provisions of the Franchise Agreement and related agreements. You should read these provisions in the agreements attached to this Disclosure Document.**

| <b>Provision</b>                    | <b>Section in Franchise Agreement or related Agreement(s)</b> | <b>Summary of Franchise Provision</b>           |
|-------------------------------------|---------------------------------------------------------------|-------------------------------------------------|
| a. Length of the franchise term     | FA - 3.A                                                      | The term of the Franchise Agreement is 5 years. |
| b. Renewal or extension of the term | FA - 3.C                                                      | Two (2) additional terms of 5 years each.       |

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

| <b>Provision</b>                                       | <b>Section in Franchise Agreement or related Agreement(s)</b> | <b>Summary of Franchise Provision</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|--------------------------------------------------------|---------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| h. “Cause” defined—non-curable defaults                | FA - 17.A                                                     | You make a material misrepresentation; failure to commence operations on time; failure to complete initial training to our satisfaction; abandonment or failure to operate your Business; unauthorized transfer; felony conviction; dishonest or unethical conduct; loss of right to occupy the premises of your Business; unauthorized use or disclosure of Confidential Information; failure to pay taxes; insufficient funds in your Business Account on 3 or more occasions in a 12-month period; 3 or more breaches within a 12-month period; 2 or more of the same breaches within a 12-month period; assignment for benefit of creditors, insolvency, or bankruptcy; blocked assets based on violation of terrorism-related laws; any other franchise agreement between you and us is terminated (also known as a “cross-default”); you deposit or convert any funds received from clients in violation of the Franchise Agreement; or any other default of the Franchise Agreement is not cured within the applicable time period. |
| i. Franchisee’s obligations on termination/non-renewal | FA – 18<br><br>Trial Agreement – 7, 8, 9, 10, 12              | Under the Franchise Agreement: pay all amounts owed; cease use of Marks; return Confidential Information; abide by post-termination non-compete; surrender any websites, social media accounts, or other Online Presences; pay lost revenue damages (if applicable).<br><br>Under the Trial Agreement: return materials and Confidential Information; abide by post-termination non-solicitation and non-compete, and confidentiality obligations.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| j. Assignment of contract by franchisor                | FA - 16.A                                                     | No restrictions on our right to assign.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| k. “Transfer” by franchisee—defined                    | FA - 16.B                                                     | Includes any voluntary, involuntary, direct, or indirect assignment, sale, gift, or other disposition, including transfer by reason of merger, consolidation, issuance of additional securities, death, disability, divorce, insolvency, foreclosure, surrender or by operation of law.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| l. Franchisor approval of transfer by franchisee       | FA - 16.C                                                     | We have the right to approve all transfers.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |

| <b>Provision</b>                                                        | <b>Section in Franchise Agreement or related Agreement(s)</b> | <b>Summary of Franchise Provision</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|-------------------------------------------------------------------------|---------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| m. Conditions for franchisor approval of transfer                       | FA - 16.C                                                     | You submit an application regarding the proposed transferee; you provide us executed purchase documents and other documents we require; you and transferee sign a consent to transfer, which will contain a general release, and all other documents requested by us; you have paid all amounts owed; you have not violated any provision of the Franchise Agreement within 60 days; the transferee has completed initial training to our satisfaction; transferee signs our then-current form of franchise agreement, which may contain terms materially different than the Franchise Agreement attached to this Disclosure Document; landlord approval (if applicable); pay transfer fee; you subordinate to us any financing you provide to the transferee; you correct any deficiencies and transferee agrees to remodel and renovate the office of your Business; transfer all licenses and permits. |
| n. Franchisor's right of first refusal to acquire franchisee's business | FA - 16.E                                                     | We have the right, but no obligation, to match any offer to buy your Business within 30 days of notice of the offer, and we have no less than 60 days to prepare for closing. If change in terms of sale, we have an additional right of first refusal for 30 days.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| o. Franchisor's option to purchase franchisee's business                | FA - 19                                                       | Upon the expiration of the Franchise Agreement and any successor franchise granted to you, or the termination of the Franchise Agreement by you without cause or by us (each a "Termination Event"), we may purchase the assets of your Business for the net realizable value of the tangible assets in accordance with the liquidation basis of accounting (not the value of your Business as a going concern) ("Liquidation Value"), and assume the lease for your Business upon the expiration of the Franchise Agreement and any successor franchise granted to you, or the termination of the Franchise Agreement as a result of a Termination Event. In the case of a Termination Event, we have 60 days from the Termination Event to provide you with written notice of our election to purchase your Business.                                                                                   |
| p. Death or disability of franchisee                                    | FA - 16.D                                                     | Upon death/disability of Operating Partner, must appoint a new Operating Partner within 30 days. Franchise must be assigned to approved transferee in 12 months.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |

| <b>Provision</b>                                                          | <b>Section in Franchise Agreement or related Agreement(s)</b> | <b>Summary of Franchise Provision</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|---------------------------------------------------------------------------|---------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| q. Non-competition covenants during the term of the franchise             | FA -8<br>Trial Agreement - 9                                  | You, and with respect to the Franchise Agreement, your owners, or any of your or their immediate family members, cannot be involved in a Competitive Business during the term of the Franchise Agreement. A “Competitive Business” means (1) any business providing private coaching services, business mentoring or strategic planning services for business owners, or fractional executive services to law firms; or (2) any businesses granting franchises or licenses to others to operate the type of businesses specified in subparagraph (1). You must not disparage or negatively impact us in any way. You must not solicit or interfere with our or our affiliates’ relationships with any Members, customers, franchisees, lenders, vendors or consultants. You may not solicit Members of our other franchisees. |
| r. Non-competition covenants after the franchise is terminated or expires | FA - 18.E<br>Trial Agreement - 9                              | You, your owners, affiliates, and family members may not engage in a Competitive Business for 24 months following the termination or expiration of the Franchise Agreement.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| s. Modification of the agreement                                          | FA - 20.M                                                     | No modifications except with the prior written consent of both you and us, except that we are permitted to amend the Marks at any time. We are permitted to amend the Operations Manual and System Standards at any time, and you are required to comply with the Operations Manual and System Standards as amended.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| t. Integration/merger clause                                              | FA - 20.N                                                     | Only the written terms of the Franchise Agreement and other related written agreements are binding (subject to state law). Any representations or promises outside this Disclosure Document and Franchise Agreement may not be enforceable.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |

| <b>Provision</b>                                  | <b>Section in Franchise Agreement or related Agreement(s)</b> | <b>Summary of Franchise Provision</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|---------------------------------------------------|---------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| u. Dispute resolution by arbitration or mediation | FA - 20.A, 20.B<br>Trial Agreement - 13                       | <p>Either of us may initiate a mediation proceeding by notifying the other in writing. Regardless of who initiates the mediation, the mediation will be conducted at a location in or within 10 miles of our or our successor's or assign's current place of business (currently, Coconut Grove, Florida) (subject to state law, if applicable) unless we and you agree upon a mutually acceptable alternative location.</p> <p>We and you must arbitrate all disputes that are not resolved by mediation at a location in or within 10 miles of our or our successor's or assign's current principal place of business (currently, Coconut Grove, Florida) (subject to state law).</p> |
| v. Choice of forum                                | FA - 20.H<br>Trial Agreement - 13                             | Subject to applicable state law and our mediation and arbitration requirements, litigation must take place in the court nearest to our current principal place of business (currently Coconut Grove, Florida).                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| w. Choice of law                                  | FA - 20.G<br>Trial Agreement - 18                             | Subject to applicable state law, the Agreement, the Franchise, and all claims arising from the relationship between us and you will be governed by the laws of the State of Florida, without regard to its conflict of laws rules, except that (1) any state law regulating the offer or sale of franchises or governing the relationship of a franchisor and its franchisee will not apply unless its jurisdictional requirements are met independently, and (2) the enforceability of those provisions of the Agreement which relate to restrictions on you and your owners' competitive activities will be governed by the laws of the state in which your Business is located.      |

**ITEM 18.**  
**PUBLIC FIGURES**

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

**ITEM 19.**  
**FINANCIAL PERFORMANCE REPRESENTATIONS**

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for

the information, and if the information is included in the Disclosure Document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting our President, RJon Robins 2801 Florida Avenue, Unit 4, Coconut Grove, Florida 33133, 1-833-466-2624, 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, 2023, 2024 <sup>1,2</sup>**

| <b>Outlet Type</b>   | <b>Year</b> | <b>Outlets at the<br/>Start of the<br/>Year</b> | <b>Outlets at the<br/>End of the Year</b> | <b>Net Change</b> |
|----------------------|-------------|-------------------------------------------------|-------------------------------------------|-------------------|
| 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>          |

1. All data in these charts is for our fiscal year, not a calendar year. Our fiscal years end on June 30 of each calendar year.
2. As of the amended Issuance Date of this Disclosure Document, there have been no changes to the information set forth in these charts.

**Table No. 2**  
**Transfers of Outlets from Franchisees to New Owners (other than Franchisor)**  
**For Years 2022, 2023, 2024**

| State      | Year | Number of Transfers |
|------------|------|---------------------|
| All States | 2022 | 0                   |
|            | 2023 | 0                   |
|            | 2024 | 0                   |
| Total      | 2022 | 0                   |
|            | 2023 | 0                   |
|            | 2024 | 0                   |

**Table No. 3**  
**Status of Franchised Outlets**  
**For Years 2022, 2023, 2024**

| State      | Year | Outlets at Start of Year | Outlets Opened | Terminations | Non-Renewals | Reacquired By Franchisor | Ceased Operations - Other Reasons | Outlets at End of the Year |
|------------|------|--------------------------|----------------|--------------|--------------|--------------------------|-----------------------------------|----------------------------|
| All States | 2022 | 0                        | 0              | 0            | 0            | 0                        | 0                                 | 0                          |
|            | 2023 | 0                        | 0              | 0            | 0            | 0                        | 0                                 | 0                          |
|            | 2024 | 0                        | 0              | 0            | 0            | 0                        | 0                                 | 0                          |
| Total      | 2022 | 0                        | 0              | 0            | 0            | 0                        | 0                                 | 0                          |
|            | 2023 | 0                        | 0              | 0            | 0            | 0                        | 0                                 | 0                          |
|            | 2024 | 0                        | 0              | 0            | 0            | 0                        | 0                                 | 0                          |

**Table No. 4**  
**Status of Company-Owned Outlets**  
**For Years 2022, 2023, 2024**

| State              | Year | Outlets at Start of Year | Outlets Opened | Outlets Reacquired From Franchisee | Outlets Closed | Outlets Sold to Franchisee | Outlets at End of the Year |
|--------------------|------|--------------------------|----------------|------------------------------------|----------------|----------------------------|----------------------------|
| Florida            | 2022 | 1                        | 0              | 0                                  | 0              | 0                          | 1                          |
|                    | 2023 | 1                        | 0              | 0                                  | 0              | 0                          | 1                          |
|                    | 2024 | 1                        | 0              | 0                                  | 0              | 0                          | 1                          |
| Total <sup>1</sup> | 2022 | 1                        | 0              | 0                                  | 0              | 0                          | 1                          |
|                    | 2023 | 1                        | 0              | 0                                  | 0              | 0                          | 1                          |
|                    | 2024 | 1                        | 0              | 0                                  | 0              | 0                          | 1                          |

**Table No. 5**  
**Projected Openings as of December 12, 2024**

| <b>State</b> | <b>Franchise Agreements<br/>Signed but Outlet Not<br/>Opened</b> | <b>Projected New<br/>Franchised Outlets<br/>in the Next Fiscal<br/>Year</b> | <b>Projected New Company-<br/>Owned Outlets in the Next<br/>Fiscal Year</b> |
|--------------|------------------------------------------------------------------|-----------------------------------------------------------------------------|-----------------------------------------------------------------------------|
| All States   | 0                                                                | 0                                                                           | 0                                                                           |
| <b>Total</b> | <b>0</b>                                                         | <b>0</b>                                                                    | <b>0</b>                                                                    |

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

During the last three years, no current or former franchisees have signed provisions restricting their ability to speak openly about their experience with the How To Manage A Small Law Firm franchise system.

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

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

We were formed on November 6, 2024, and therefore, we are unable to provide three years of financial statements. Attached to this Disclosure Document as Exhibit C is our audited opening balance sheet as of December 2, 2024. Our fiscal year end is June 30.

### **ITEM 22.** **CONTRACTS**

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

|             |                                              |
|-------------|----------------------------------------------|
| Exhibit A-1 | Trial Agreement                              |
| Exhibit A-2 | Franchise Agreement                          |
| Exhibit E   | Form of General Release                      |
| Exhibit G   | Representations and Acknowledgment Statement |
| Exhibit H   | State Addenda and Agreement Riders           |

### **ITEM 23.** **RECEIPTS**

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

**EXHIBIT A-1**  
**TRIAL AGREEMENT**

## TRIAL AGREEMENT

This Trial Agreement (the “**Agreement**”) is made effective as of the Effective Date by and between **HOW TO MANAGE A SMALL LAW FIRM FRANCHISOR, LLC**, a Florida limited liability company, with its principal business address at 2801 Florida Avenue, Unit 4, Coconut Grove, Florida 33133 (“**us**”), and the person or entity identified as “Prospective Franchisee” in the signature blocks below (“**you**”). The Effective Date is the date on which we sign this Agreement as shown beneath our signature hereto.

You are considering acquiring a franchise to operate a How To Manage A Small Law Firm<sup>®</sup> business (a “**Business**”) and we are considering you to become our franchisee. As a condition to being approved by us to become a franchisee, you must successfully complete the Trial Program. However, signing this Agreement and completing the Trial Program does not obligate you to acquire a franchise, nor does it obligate us to grant you one. The purpose of this Agreement is to make it possible for you to participate in our Trial Program and for you and us to better evaluate whether to enter into a Franchise Agreement. This Agreement governs the terms of our relationship prior to the signing of a Franchise Agreement, if and when we sign one.

### 1. Trial Program

We agree to admit you into, and you agree to complete, the Trial Program. The Trial Program consists of (i) the trial period training program of three (3) to five (5) weeks (the “**Trial Period Training Program**”) for you (or if you are an entity, your principal owner), and (ii) a trial membership sales period of up to six (6) months during which you will offer and sell Membership Agreements (defined below). You agree to complete the Trial Program within two hundred ten (210) days of the Effective Date (the “**Term**”).

### 2. Trial Period Training Program

You (or if you are an entity, your principal owner) must complete the Trial Period Training Program for the marketing and sales of Membership Agreements (defined below). Scheduling, location (including virtually, at our discretion), content, length and format of the Trial Period Training Program is at our discretion. Successful completion, to our satisfaction, of the Trial Period Training Program is required for your completion of the Trial Program and is a prerequisite of trial Membership Agreement sales.

We will provide the Trial Period Training Program at no charge, as such training is covered by the Deposit Fee (defined below). If we provide any portion of the Trial Period Training Program on-site at our corporate offices or at any other location we determine, you are responsible for all expenses associated with attending the Trial Period Training Program, including your employees’ and representatives’ wages, travel, lodging, and other accommodations. Should any portion of the Trial Period Training Program take place at your office, we reserve the right to charge you any travel and living expenses for the trainer(s) we send to your office.

### 3. Trial Membership Agreement Sales

Upon your completion of the Trial Program Training Period and during the remainder of the Term, you agree to offer and sell, pursuant to membership agreements (“**Membership Agreements**”) a variety of tiered programs and services offered by How To Manage A Small Law Firm to solo and small law firms (“**Members**”). Such Membership Agreements and any corresponding required applications must be signed by us or our affiliate and the Member. You will offer and sell the Membership Agreements subject mandatory specifications, standards, operating procedures and rules that we periodically prescribe. During the Term, you may not hold yourself out to be our current or future franchisee and you may not provide any services under the Membership Agreements without our prior express written permission. In order to satisfactorily complete the Trial Program, you must sell at least twenty (20) Membership Agreements within six (6) months following your completion of the Trial Period Training Program.

#### 4. **Deposit Fee; Membership Agreement Rebate**

In consideration for entering into this Agreement, you agree to pay us a deposit in the amount of \$5,000 (“Deposit Fee”). We will apply the Deposit Fee toward your initial franchise fee if you successfully complete the Trial Program and sign a Franchise Agreement. Additionally, upon the expiration of the Term, regardless of whether you sell twenty (20) Membership Agreements during the Term or not, we will pay you \$5,000 for each Membership Agreement you sell; provided or at your discretion if you sign a franchise agreement we will reduce your franchise fee by \$5,000 for each membership you have sold during the Initial Trial Program.

#### 5. **Materials**

You agree that the Membership Agreement, training materials, and all other materials (collectively “**Materials**”) that we provide to you in connection with the Trial Program are our exclusive property. You acknowledge that all Materials lent to you are for the sole purpose of training to become a How To Manage A Small Law Firm® franchisee. Neither you nor anyone under your control may reproduce any portion of the Materials or make them available to anyone else without our prior written authorization.

#### 6. **Confidentiality**

In connection with your participation in the Training Program, you and its owners, if applicable, may from time to time have access to, be provided with, or otherwise be exposed to certain information about the How To Manage A Small Law Firm® business and franchise system (some, but not all, of which may be “trade secrets” under applicable law), that we consider and protect as confidential (regardless of whether they are marked as such), including the following (collectively, the “**Confidential Information**”):

- (1) training and operations materials;
- (2) methods, formats, specifications, standards, systems, procedures, sales and marketing techniques, knowledge, and experience used in developing and operating Businesses;
- (3) information regarding potential marketing, advertising and promotional programs and strategies related thereto, and analyses of the performance and results of such programs once implemented;
- (4) strategic plans, including expansion strategies and targeted demographics;
- (5) any computer software or similar technology which is proprietary to us or the How To Manage A Small Law Firm® system, including digital passwords and identifications and any source code of, and data, reports, and other printed materials generated by, the software or similar technology;
- (6) information generated by, or used or developed in, the operation of Businesses;
- (7) lists of current, former, and prospective Members of us, our affiliates, or any Business, including information such as Member names, contact persons, addresses, telephone numbers, e-mail addresses, buying habits, preferences, demographic information, and related information; and
- (8) any other information designated as confidential or proprietary by us.

All Confidential Information will be owned by us. You acknowledge and agree that you will not acquire any interest in Confidential Information, other than the right to use it as we specify in connection with the Training Program during the Term, and that Confidential Information is proprietary, includes our trade secrets, and is disclosed to you only on the condition that you agree, and you in fact do agree, that you, your owners, and your employees, if applicable:

- (a) will not use Confidential Information in any other business or capacity;
- (b) will keep each item deemed to be part of Confidential Information absolutely confidential, both during the Term and then thereafter;

(c) will not make unauthorized copies of any Confidential Information disclosed via electronic, virtual, or digital medium or in written or other tangible form;

(d) will adopt and implement reasonable procedures to prevent unauthorized use or disclosure of Confidential Information, including by restricting its disclosure and/or by requiring persons who have access to the Confidential Information to execute our then-current form of confidentiality agreement; and

(e) will not sell, trade, or otherwise profit in any way from the Confidential Information, except using methods approved by us.

Without limiting the generality of the foregoing obligations, we reserve the right to require that any employee, agent, or independent contractor that you hire execute a non-disclosure and non-competition agreement to protect the Confidential Information. We reserve the right to regulate the form of such non-disclosure and non-competition agreement that you use and to be a third-party beneficiary of those agreements with independent enforcement rights. You acknowledge that any form of non-disclosure and non-competition agreement that we require you to use, provide to you, or regulate the terms of, may or may not be enforceable in a particular jurisdiction. You agree that you are solely responsible for obtaining your own professional advice with respect to the adequacy of the terms and provisions of any non-disclosure and non-competition agreement that your employees, agents, and independent contractors sign.

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

All ideas, concepts, techniques, or materials relating to a the business you conduct under this Agreement, whether or not protectable intellectual property and whether created by or for you or your owners or employees, must be promptly disclosed to us and will be our sole and exclusive property and works made-for-hire for us. To the extent that any item does not qualify as a “work made-for-hire” for us, you hereby assign ownership of that item, and all related rights to that item, to us and agree to take whatever action (including signing assignment or other documents) we request to evidence our ownership or to help us obtain intellectual property rights in the item.

## **7. Non-Solicitation**

During and after the Term, you and your owners agree not to (and to use each of their best efforts to cause each of their respective current and former spouses, immediate family members, owners, officers, directors, employees, representatives, affiliates, successors and assigns not to) solicit, interfere, or attempt to interfere with our or our affiliates’ relationships with any Members, customers, franchisees, lenders, vendors, or consultants.

## **8. Non-Disparagement**

You agree not to (and to use your best efforts to cause your current and former owners, officers, directors, agents, partners, employees, representatives, attorneys, spouses, affiliates, successors, and assigns not to) (i) disparage or otherwise speak or write negatively, directly or indirectly, of us, our affiliates, any of our or our affiliates’ directors, officers, employees, representatives or affiliates, the “How to Manage a Small Law Firm” brand and system, any Business, or (ii) take any other action which would, directly or indirectly, subject the “How to Manage a Small Law Firm” brand to ridicule, scandal, reproach, scorn, or indignity, or which would negatively impact the goodwill of us or the “How to Manage a Small Law Firm” brand.

## 9. Non-Competition

You acknowledge that we are entering into this Agreement in reliance on your agreement to deal exclusively with us. You therefore agree that, during the Term and for two (2) years from expiration or earlier termination of the Term, you will not: (a) have any direct or indirect ownership (whether of record, beneficially, or otherwise) in a Competitive Business (defined below), wherever located or operating (except that equity ownership of less than three percent (3%) of a Competitive Business whose stock or other forms of ownership interest are publicly traded on a recognized United States stock exchange will not be deemed to violate this subparagraph); (b) perform services as a director, officer, manager, employee, consultant, lessor, representative, or agent for a Competitive Business, wherever located or operating; or (c) divert or attempt to divert any actual or potential business or Member of Franchisee's Business to a Competitive Business. A **"Competitive Business"** means (1) any business providing private coaching services, business mentoring or strategic planning services for business owners, or fractional executive services to law firms; or (2) any businesses granting franchises or licenses to others to operate the type of businesses specified in subparagraph (1).

## 10. Breach of Restrictive Covenants; Liquidated Damages

If, with our written consent, during or for two (2) years from the expiration or earlier termination of this Agreement, you engage in a Competitive Business and/or induce clients who were clients of the How To Manage A Small Law Firm brand during this Agreement to terminate such clients' services with us and to purchase such services from you or such Competitive Business with which you are affiliated, the following terms shall apply:

You shall pay us, as liquidated damages and not as a penalty (the **"Damages"**), thirty-three percent (33%) of your or such Competitive Business's gross billings to any such client (as opposed to moneys actually collected) for the first eighteen months you or such Competitive Business work with any such client, twenty-five percent (25%) of your or such Competitive Business's gross billings to any such client in the second eighteen months, and ten percent (10%) of your or such Competitive Business's gross billings to any such client for the third eighteen months. You shall account to us monthly by providing copies of all contractual agreements between you or such Competitive Business and any such client, and a detailed report and copies of all invoices sent to any such client during the previous month. Amounts due under this paragraph shall be paid within five business days of each month's end. We shall have reasonable audit rights in order to assure that you or your future company or employer comply with this requirement, and you agree that we may seek a court order to enforce its audit rights. If upon audit it is determined that you (or your company or employer) have understated amounts owed to us hereunder by more than 5%, you agree to pay us not only the entire understated amount, but also to reimburse us for all costs of such audit including its auditor's fees

If you breach the restrictive covenants herein, we and you agree that it would be difficult, if not impossible, to determine the amount of damages that we would suffer. You and we agree that the Damages are a reasonable effort of the same. Nothing herein shall preclude or limit us from proving and recovering any other damages caused by your breach of this Agreement.

## 11. Publicity

You hereby consent to any and all uses and displays by us and our affiliates or our affiliates of your name, voice, likeness, image, appearance, and biographical information in, on or in connection with any pictures, photographs, audio and video recordings, digital images, websites, television programs and advertising, other advertising, sales and marketing brochures, books, magazines, other publications, CDs, DVDs, tapes and all other printed and electronic forms and media, including the internet, throughout the world, at any time during or after this for all legitimate business purposes (**"Permitted Uses"**). You hereby forever release us and our directors, officers, employees and agents from any and all claims, actions, damages, losses, costs, expenses and liability of any kind, arising under any legal or equitable theory

whatsoever (including rights of publicity and privacy) at any time during or after the Agreement in connection with any Permitted Use and waive any moral rights with regard thereto. Notwithstanding the foregoing, we agree that within a reasonable time from the effective date of termination of this Agreement, we will remove your bio and photograph from our website.

## **12. Termination of Trial Agreement**

Either you or we can terminate this Agreement at any time, for any reason, by providing written notice to the other. The termination notice will be effective immediately upon receipt by the other party. You must promptly return all Materials upon termination of this Agreement. You are responsible to pay for any costs associated with the return of all Materials should this Agreement be terminated. You will still be bound by the Confidentiality provision if this Agreement is terminated.

## **13. Enforcement**

### **A. Mediation**

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

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

Regardless of which party initiates the mediation, the parties agree to conduct the mediation at a suitable location chosen by the mediator that is within 10 miles of our (or our successor’s or assign’s, as applicable) then current principal place of business (currently, Coconut Grove, Florida). At least 7 days before the first scheduled session of the mediation, each party shall deliver to the mediator a concise written summary of its position with respect to the matters in dispute (such as claims or defenses) and such other matters required by the mediator.

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

Notwithstanding anything contained in this Section 13.A to the contrary, the obligation for a party to commence mediation hereunder will not apply to any disputes wherein: (i) we bring an action for an express obligation to pay amounts due hereunder, declaratory relief, preliminary or permanent equitable relief, any action at law for damage to our goodwill, the Confidential Information, or for fraudulent conduct by you; or (ii) the delay resulting from the mediation process may endanger or adversely affect the public (for example, unhealthy, unsafe or unsanitary conditions would continue to exist). For such disputes, we may bring an action in any federal or state court having jurisdiction, whether for monetary damages and/or for temporary preliminary and permanent injunctive relief or specific performance in addition to, and not exclusive of, any other remedies available to us. You hereby consent to and waives any objection or defense and agrees not to contest venue, forum non conveniens or jurisdiction of such court or arbitration.

## **B. Arbitration**

We and you agree that all controversies, disputes, or claims which cannot be resolved by mediation under Section 13.A between us or any of our affiliates, and our and their respective shareholders, officers, directors, agents, and employees, on the one hand, and you (and your owners, guarantors, affiliates, and employees), on the other hand, arising out of or related to: (1) this Agreement or any other agreement between us (or any of its owners) and you (or any of its affiliates); (2) our relationship with you; or (3) the scope or validity of this Agreement or any other agreement between you (or any of your owners) and us (or any of our affiliates) or any provision of any of such agreements (including the validity and scope of the arbitration provision under this Section, which we and you acknowledge is to be determined by an arbitrator, not a court); must be submitted for binding arbitration, on demand of either party, to the AAA. The arbitration proceedings will be conducted by one arbitrator and, except as this Section otherwise provides, according to the AAA's then-current Commercial Arbitration Rules. All proceedings will be conducted at a suitable location chosen by the arbitrator that is within fifty (50) miles of our or, as applicable, our successor's or assign's then current principal place of business (currently, Coconut Grove, Florida). All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. §§ 1 et seq.). The interim and final awards of the arbitrator shall be final and binding upon each party, and judgment upon the arbitrator's awards may be entered in any court of competent jurisdiction.

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

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

We and you agree that arbitration will be conducted on an individual basis and that an arbitration proceeding between us and any of our affiliates, or our and their respective shareholders, officers, directors, agents, and employees, on the one hand, and you (or your owners, guarantors, affiliates, and employees), on the other hand, may not be: (i) conducted on a class-wide basis, (ii) commenced, conducted or consolidated with any other arbitration proceeding, (iii) joined with any separate claim of an unaffiliated third-party, or (iv) brought on our behalf by any association or agent. Notwithstanding the foregoing, if any

court or arbitrator determines that all or any part of the preceding sentence is unenforceable with respect to a dispute, controversy or claim that otherwise would be subject to arbitration under this Section, then all parties agree that this arbitration clause shall not apply to that dispute, controversy or claim and that such dispute, controversy or claim shall be resolved in a judicial proceeding in accordance with the dispute resolution provisions of this Agreement.

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

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

Subject to Section 13.A, any provisions of this Agreement that pertain to judicial proceedings shall be subject to the agreement to arbitrate contained in this Section.

#### **14. Attorney Fees**

The prevailing party in any suit, action, or appeal regarding this Agreement is entitled to recover from the non-prevailing party a reasonable attorney fee in addition to any costs or disbursements provided by law. The prevailing party will be determined by, and the attorney fee will be set by, the trial or appellate court.

#### **15. Entire Agreement**

Unless specifically provided herein, this Agreement contains all the understandings and representations between the parties pertaining to the subject matter hereof and supersedes all prior and contemporaneous understandings, agreements, representations and warranties, both written and oral, with respect to such subject matter.

#### **16. Modifications and Waiver**

No provision of this Agreement may be amended or modified unless such amendment or modification is agreed to in writing and signed by duly authorized agents of the parties. No waiver by either of the parties of any breach by the other party hereto of any condition or provision of this Agreement to be performed by the other party hereto shall be deemed a waiver of any similar or dissimilar provision or condition at the same or any prior or subsequent time, nor shall the failure of or delay by either of the parties in exercising any right, power or privilege hereunder operate as a waiver thereof to preclude any other or further exercise thereof or the exercise of any other such right, power or privilege.

#### **17. Severability and Substitution of Valid Provisions**

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

If any covenant which restricts competitive activity is deemed unenforceable by virtue of its scope in terms of area, business activity prohibited, and/or length of time, but would be enforceable if modified,

we and you agree that the covenant will be enforced to the fullest extent permissible under the laws and public policies applied in the jurisdiction whose law determines the covenant's validity.

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

**18. Governing Law**

Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.), or other United States federal law, this Agreement will be governed by the laws of the State of Florida, without regard to its conflict of laws rules.

*[Signature Page Follows]*

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

**FRANCHISOR:**  
**HOW TO MANAGE A SMALL LAW FIRM**  
**FRANCHISOR, LLC**, a Florida limited liability  
company

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

**PROSPECTIVE FRANCHISEE:**

\_\_\_\_\_  
[Name], a [state/type]

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

**EXHIBIT A-2**

**FRANCHISE AGREEMENT**

**HOW TO MANAGE A SMALL LAW FIRM FRANCHISOR, LLC**

**HOW TO MANAGE A SMALL LAW FIRM<sup>®</sup>  
FRANCHISE AGREEMENT**

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**Franchisee**

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**Office Address**

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## **HOW TO MANAGE A SMALL LAW FIRM® FRANCHISE AGREEMENT**

**THIS FRANCHISE AGREEMENT** (the “**Agreement**”) is made effective as of the Effective Date by and between **HOW TO MANAGE A SMALL LAW FIRM FRANCHISOR, LLC**, a Florida limited liability company, with its principal business address at 2801 Florida Avenue, Unit 4, Coconut Grove, Florida 33133 (“**Franchisor**”), and the person or entity identified as “**Franchisee**” in the signature blocks below (“**Franchisee**”). The Effective Date is the date on which Franchisor signs this Agreement as shown beneath Franchisor’s signature hereto.

### **1. HOW TO MANAGE A SMALL LAW FIRM FRANCHISE.**

Franchisor grants franchises (each a “**Franchise**”) for the right to operate membership-based businesses (each a “**Franchised Business**”) that are identified by, and whose products and services are identified by, the trademark *How To Manage A Small Law Firm*® (together with other trademarks and service marks Franchisor designates from time to time, the “**Marks**”), that offer a variety of tiered programs and services to solo and small firms (“**Members**”) that have entered into membership agreements (“**Membership Agreements**”) with Franchisor or its affiliate entitling them to various levels of attention, access, and resources (“**Membership Packages**”). Currently, certain deliverables of the Membership Packages are intended to be delivered by Franchisor or its affiliates and certain others are intended to be delivered by Franchisee so as to collaboratively provide services to Members. Franchisor may develop, modify, change, discontinue, or introduce new Membership Packages or components thereof during the Term (defined below). Currently, Membership Packages include: (a) the “**Foundation Membership Package**,” under which enrolled Members (each, a “**Foundation Member**”) receive (among other things) monthly fractional CEO services provided by Franchisee, and access to certain events, executive business training, and membership benefits (“**Foundation Services**”), and (b) the “**Weekly CXO Membership Package**,” under which enrolled Members (each, a “**Weekly CXO Member**”) receive (among other things) the Foundation Services as well as a suite of fractional officer services selected by the Member based on its particular circumstances, including fractional CEO, COO, CFO, and/or CMO services (“**CXO Services**”). Additionally, Members enrolled in the Weekly CXO Membership Package will receive a designated chairperson (a “**Chairperson**”) to provide such Members with higher-level strategic direction, CXO oversight, and coordination of the CXO Services (“**Chairperson Services**”). Franchised Businesses are developed and operated using certain business formats, methods, procedures, standards, and specifications that Franchisor specifies and that Franchisor may further develop or otherwise modify (collectively, the “**System**”). Franchisee has asked Franchisor to grant Franchisee a Franchise. To support Franchisee’s request, Franchisee and, if applicable, its owners have provided Franchisor with information about Franchisee and its background, experience, skills, financial condition and resources (the “**Application Materials**”). In reliance on, among other things, the Application Materials, Franchisor is willing to grant a Franchise on the terms and conditions contained in this Agreement. Franchisor refers to the Franchised Business that Franchisee develops, owns, and operates under this Agreement as “**Franchisee’s Business**.”

### **2. FRANCHISEE OWNERSHIP STRUCTURE.**

Franchisee represents and warrants to Franchisor that, as of the Effective Date and throughout the Term:

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

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

(3) Attachment A to this Agreement completely and accurately describes all of Franchisee's owners and their interests in Franchisee as of the Effective Date. Subject to Franchisor's rights and Franchisee's obligations under this Agreement, Franchisee and its owners agree to sign and deliver to Franchisor a revised Attachment A to reflect any changes in Franchisee's ownership information;

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

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

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

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

### **3. FRANCHISEE RIGHTS.**

#### **3.A. GRANT AND TERM OF FRANCHISE.**

Subject to this Agreement's terms and conditions, Franchisor grants Franchisee a Franchise to operate Franchisee's Business. The term of this Agreement begins on the Effective Date and expires on the fifth (5<sup>th</sup>) anniversary of the Effective Date, unless sooner terminated as provided herein (the "**Term**").

#### **3.B. NO TERRITORIAL RIGHTS.**

Franchisee is not granted any exclusive or protected territory in connection with Franchisee's Business. Franchisee acknowledges that Franchisee and Franchisee's Business may face competition from, among others, Franchisor, its affiliates, and other Franchised Businesses, from products and services sold through other channels of distribution (including the Internet), and from competitive brands that Franchisor

or its affiliates own or control or may own or control in the future. Franchisee acknowledges and agrees that Franchisor may engage in all activities not expressly prohibited by this Agreement, at any location in the world.

### **3.C. FRANCHISEE’S RIGHT TO ACQUIRE A SUCCESSOR FRANCHISE.**

Subject to this Section 3.C and if Franchisor is then granting Franchises, Franchisee may acquire, separately, two (2) consecutive successor Franchises of five (5) years each. If Franchisee desires to acquire a successor Franchise under the Agreement, then each of the following conditions must be met before and/or at the time of acquisition (as appropriate):

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

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

(3) Franchisee, its owners, and its affiliates have substantially complied with this Agreement and any other agreements with Franchisor;

(4) Franchisee and its owners execute Franchisor’s then-current form of franchise agreement and related documents (modified as necessary to reflect that it is for a renewal franchise), which will supersede the Agreement in all respects, and the terms of which may differ from the terms of the Agreement, including different Franchisee’s Share of Membership Fees and Brand Fund Contributions (defined below);

(5) Franchisee pays Franchisor a renewal fee in the amount of ten percent (10%) of Franchisor’s then-current standard initial franchise fee;

(6) Franchisee and its owners sign and deliver, in a form satisfactory to Franchisor, a general release of any and all claims (except for claims which cannot be released or waived pursuant to an applicable franchise law statute) against Franchisor and its owners, affiliates, officers, directors, employees, agents, successors, and assigns;

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

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

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

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

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

If Franchisee acquires both successor Franchise terms and gives Franchisor written notice of its desire to acquire a third successor Franchise term of five (5) years not less than 180 days nor more than 12 months before the end of the term of the second successor Franchise, then at least ninety (90) days prior to the expiration of the term of the second successor Franchise, Franchisor will give written notice to Franchisee either that (i) Franchisor is willing to enter into Franchisor's then-current form of Franchise Agreement to govern Franchisee's ownership and operation of Franchisee's Business for an additional five (5) year term (an "**Additional Renewal Notice**") or (ii) that Franchisor is not willing to grant such third successor Franchise (a "**Non-Renewal Notice**"). If Franchisor delivers an Additional Renewal Notice, Franchisor's grant of an additional successor Franchise is conditioned on Franchisee's compliance with each of the conditions of Section 3.C.(1)-(8) through the expiration of the then-current term. If Franchisee fails to meet the conditions of Sections Section 3.C.(1)-(8), Franchisee's then-current Franchise Agreement will expire as of the expiration of the second successor Franchise term or the earlier termination thereof in accordance with this Agreement. If Franchisor delivers a Non-Renewal Notice and Franchisee complies with all of the terms of its then-current Franchise Agreement through the expiration thereof, Franchisor will purchase Franchisee's Business pursuant to the terms and conditions of Section 19 (the "**Non-Renewal Purchase Option**"), except that the purchase price for Franchisee's Business in such instance will be calculated as follows: (i) three (3) multiplied by (ii) Franchisee's Share of the aggregate Membership Fees under each of Franchisee's then-current Membership Agreement for the calendar year immediately preceding the expiration of Franchisee's Franchise Agreement (the "**Non-Renewal Buyout Cost**").

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

##### **4.A. DEVELOPMENT OF FRANCHISEE'S BUSINESS.**

Franchisee agrees to develop the location from which it operates Franchisee's Business (the "**Office**") at Franchisee's own expense. Franchisee must obtain Franchisor's prior acceptance of the location of the Office. Franchisee will submit to Franchisor a complete report for any commercial space it proposes for Franchisee's Business containing such documents, information and descriptions as Franchisor requires. Franchisor will use reasonable efforts to accept or not accept any such proposed site within thirty (30) days after Franchisee delivers such items.

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

#### **4.B. OPERATING ASSETS.**

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

#### **4.C. TECHNOLOGY SYSTEM.**

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

Franchisee must obtain and install the Technology System and ensure that the Technology System is functioning properly before Franchisee's Business opens. Franchisee may be required to license, and sign a software license agreement regarding, certain proprietary software as part of Franchisor's requirements for the Technology System. Franchisee will have sole and complete responsibility for the manner in which Franchisee's Technology System interfaces at Franchisor's specified levels of connection speed with Franchisor's and any third party's computer system and any and all consequences if the Technology System is not properly operated, maintained, and upgraded.

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

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

#### **4.D. CONTACT IDENTIFIERS.**

Franchisee agrees that each telephone number, directory listing, e-mail address, Online Presence (defined in Section 11.E), and any other type of contact information used by or that identifies or is associated with Franchisee's Business (each, a "**Contact Identifier**") will be used solely to identify, service, and promote Franchisee's Business in accordance with this Agreement. Upon termination or expiration of this

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

#### **4.E. COMMENCEMENT OF BUSINESS.**

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

- (1) completed the required Initial Training Program to Franchisor's satisfaction;
- (2) obtained and installed the Technology System and ensured it is functioning properly for Franchisee's Business;
- (3) paid the Initial Franchise Fee and all other amounts then due to Franchisor;
- (4) given Franchisor certificates for all required insurance policies; and
- (5) met all regulatory requirements, including all state and local professional regulations.

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

### **5. TRAINING AND ASSISTANCE.**

#### **5.A. INITIAL TRAINING PROGRAMS.**

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

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

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

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

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

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

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

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

Franchisee agrees to pay all travel and living expenses (including, wages, transportation, food, lodging, and workers' compensation insurance) that Franchisee and its Operating Principal incur during any and all meetings and/or training courses and programs. Franchisee is also responsible for the travel and living expenses and out-of-pocket costs Franchisor incurs in sending its trainer(s) to the Office to conduct training, including food, lodging, and transportation. Franchisee understands and agrees that any specific

ongoing training or advice Franchisor provides does not create an obligation (whether by course of dealing or otherwise) to continue to provide such specific training or advice, all of which Franchisor may discontinue and modify from time to time.

#### **5.B. TRAINING OF EMPLOYEES.**

Franchisee must implement a training program that Franchisor approves for employees of Franchisee's Business, and Franchisee will be responsible for the proper training of Franchisee's employees. Franchisee must ensure that everyone Franchisee employs successfully completes the training program, is properly trained, and is qualified to perform his, her, or their duties at Franchisee's Business in accordance with the System and System Standards. Franchisee must cause any employee Franchisee hires to provide CXO Services to attend a training program with respect to the provision of such CXO Services at Franchisor's then-current price plus travel and living expenses and out-of-pocket costs Franchisor incurs.

#### **5.C. OPERATIONS MANUAL.**

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

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

### **6. FEES.**

#### **6.A. INITIAL FRANCHISE FEE.**

On Franchisee's execution of this Agreement, Franchisee must pay Franchisor a non-recurring initial franchise fee in the amount of \$45,000 (the "**Initial Franchise Fee**"). The Initial Franchise Fee is due and fully earned by Franchisor when Franchisee signs this Agreement and is not refundable under any circumstances. Franchisee must pay Franchisor the Initial Franchise Fee by wire transfer of immediately available funds to an account Franchisor designates, or by any other method Franchisor specifies.

#### **6.B. MEMBERSHIP FEES.**

Franchisor or its affiliate will collect all membership fees ("**Membership Fees**") from Members due under Membership Agreements for Franchisee's Business. Each month of the Term, Franchisor will remit to Franchisee's Share (defined below) of the Membership Fees to Franchisee that Franchisor or its

affiliate collects in the preceding month. “**Franchisee’s Share**” means (i) twenty percent (20%) of Membership Fees collected and attributable to Foundation Services under Franchisee’s Membership Agreements, and (ii) fifty percent (50%) of Membership Fees collected and attributable to CXO Services under Franchisee’s Membership Agreements.

At Franchisor’s sole discretion, Franchisor may elect to require Franchisee to directly enter into Membership Agreements with Members, in which case Franchisee would be responsible for the collection of Membership Fees under Franchisee’s Membership Agreements and would pay Franchisor the monthly Membership Fee minus Franchisee’s Share in accordance with the foregoing allocations.

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

#### **6.C. REFERRAL FEES.**

If Franchisor refers Franchisee to a prospective Member and, after such referral, Franchisee directly causes such prospective Member to sign a Membership Agreement under which Franchisee will provide services, Franchisee will pay Franchisor an amount equal to three (3) months of Franchisee’s Share of Membership Fees under such Membership Agreement (a “**New Member Referral Fee**”), which amount will be fully earned by Franchisor upon such prospective Member’s execution of a Membership Agreement. Franchisee may pay the New Member Referral Fee in lump sum upon such Member’s execution of the Membership Agreement, or in six (6) equal monthly installments bearing interest at the lesser of the rate of 1.5% per month or the highest commercial contract interest rate allowed by law.

If Franchisor refers Franchisee to an existing Member and, after such referral, Franchisee provides Foundation Services to such Member under its Membership Agreement, Franchisee will pay Franchisor an amount equal to three (3) months of Franchisee’s Share of Membership Fees for such Foundation Services under such Membership Agreement (a “**Foundation Member Referral Fee**”), which amount will be fully earned by Franchisor upon such prospective Member’s execution of a Membership Agreement. Franchisee may pay the Foundation Member Referral Fee in lump sum upon such Member’s engagement of Franchisee, or in six (6) equal monthly installments bearing interest at the lesser of the rate of 1.5% per month or the highest commercial contract interest rate allowed by law.

If Franchisor refers Franchisee to an existing Member and, after such referral, Franchisee provides CXO Services to such Member under its Membership Agreement, Franchisee will pay Franchisor an amount equal to five (5) months of Franchisee’s Share of Membership Fees for such CXO Services under such Membership Agreement (a “**Weekly CXO Member Referral Fee**”), which amount will be fully earned by Franchisor upon such prospective Member’s execution of a Membership Agreement. Franchisee may pay the Weekly CXO Member Referral Fee in lump sum upon such Member’s engagement of Franchisee, or in ten (10) equal monthly installments bearing interest at the lesser of the rate of 1.5% per month or the highest commercial contract interest rate allowed by law.

#### **6.D. MEMBER SATISFACTION GUARANTEE.**

Franchisee acknowledges and agrees that Membership Agreements may allow any Member to terminate its Membership Agreements and, under a money back guaranty, receive a refund of all

Membership Fees paid thereunder (a “**Member Refund**”). If a Member of Franchisee becomes entitled to a Member Refund, Franchisor or its affiliate will issue such Member Refund directly to the Member and reimburse itself for Franchisee’s Share of such Member Refund by deducting Franchisee’s Share of Membership Fees received under such Membership Agreement from Franchisor’s payment of Franchisee’s Share to Franchisee in the succeeding month(s).

#### **6.E. OFFICER SOURCING FEE.**

Franchisee may request that Franchisor provide certain CXO Services to Franchisee’s Members. If Franchisor agrees to provide such CXO Services directly to a Member of Franchisee, Franchisee agrees to pay Franchisor its then-current monthly fee (the “**Officer Sourcing Fee**”) which may vary depending on the type of CXO Services to be provided by Franchisor.

#### **6.F. BRAND FUND.**

Franchisee agrees to contribute to the Brand Fund, as defined in Section 11.C, in the amount Franchisor specifies from time to time. Currently, the required Brand Fund contribution (the “**Brand Fund Contribution**”) is \$100 per month. Franchisor has right, at any time and on notice to Franchisee, to increase the Brand Fund Contribution, provided that Franchisor may not raise the Brand Fund Contribution by more than 10% in any calendar year of the Term.

#### **6.G. TECHNOLOGY FEE.**

Franchisor and its affiliates may charge Franchisee an initial and recurring fee for any software or technology that Franchisor or its affiliates license to Franchisee and for other maintenance, support, and technology development services that Franchisor or its affiliates provide (a “**Technology Fee**”). Franchisor reserves the right to increase the Technology Fee to reflect changes in the costs and availability of technology, provided that the Technology Fee may not be increased by more than \$500 in any consecutive twelve months of the Term. The Technology Fee is in addition to all direct out-of-pocket costs Franchisee must otherwise incur under the terms of this Agreement or the Operations Manual to acquire, maintain, or service its Technology System. Franchisee must pay the Technology Fee at the times and in the manner designated by the Franchisor. Franchisor may require Franchisee to enter into a written agreement with the provider of any technology services, with terms and conditions Franchisor approves or requires. The amount of Franchisee’s Technology Fee may be determined in part by factors that are unique to Franchisee’s Business. Franchisee acknowledges and agrees that different franchise owners may pay different Technology Fees based on their businesses.

#### **6.H. BILLING AND COLLECTION.**

With respect to any amounts payable from Franchisee to Franchisor under this Agreement (other than the Initial Franchise Fee, and excepting any amounts due for indemnification or damages hereunder), and subject to Franchisor’s rights under Section 6.K herein, Franchisor will deduct such amounts from its payment of Franchisee’s Share. On or before the 15<sup>th</sup> day of each calendar month for the previous month, Franchisor will provide Franchisee with one or more statements (the “**Statements**”) setting forth all amounts due during the applicable period in the format that Franchisor determines. Franchisee must promptly provide Franchisor with read-only access of Franchisee’s Business Account such that Franchisor can perform the collection administrative services on Franchisee’s behalf.

#### **6.I. INTEREST ON LATE PAYMENTS.**

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

#### **6.J. NON-COMPLIANCE FEE.**

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

#### **6.K. METHOD OF PAYMENT AND APPLICATION OF PAYMENTS.**

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

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

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

## 7. CONFIDENTIAL INFORMATION.

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

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

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

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

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

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

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

## **8. EXCLUSIVE RELATIONSHIP DURING TERM.**

### **8.A. COVENANTS AGAINST COMPETITION.**

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

(1) have any direct or indirect ownership (whether of record, beneficially, or otherwise) in a Competitive Business (defined below), wherever located or operating (except that equity ownership of less than three percent (3%) of a Competitive Business whose stock or other forms of ownership interest are publicly traded on a recognized United States stock exchange will not be deemed to violate this subparagraph);

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

(3) divert or attempt to divert any actual or potential business or Member of Franchisee's Business to a Competitive Business.

A "**Competitive Business**" means (1) any business providing private coaching services, business mentoring or strategic planning services for business owners, or fractional executive services to law firms; or (2) any businesses granting franchises or licenses to others to operate the type of businesses specified in subparagraph (1).

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

### **8.B. NON-DISPARAGEMENT.**

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

Notwithstanding the foregoing, nothing in this Agreement or any other agreement with Franchisor restricts or prohibits any person from initiating communications directly with, responding to any inquiries from, providing testimony before, providing confidential information to, reporting possible violations of law or regulation to, or from filing a claim or assisting with an investigation directly with a self-regulatory authority or any federal or state government agency or entity, or from making other disclosures that are protected under the whistleblower provisions of state or federal law or regulation. No person needs Franchisor's prior authorization to engage in conduct protected by the preceding sentence, and no person needs to notify Franchisor that such person has engaged in such conduct.

### **8.C. NON-INTERFERENCE.**

During and after the Term, Franchisee and its owners agree not to (and to use each of their best efforts to cause each of their respective current and former spouses, immediate family members, owners, officers, directors, employees, representatives, affiliates, successors and assigns not to) solicit, interfere, or attempt to interfere with (i) Franchisor's or its affiliates' relationships with any Members, customers, franchisees, lenders, vendors, or consultants, and/or (ii) Members being serviced by other Franchised Businesses, provided, that Franchisee may enroll or otherwise provide services to another Franchised Business's Members upon Franchisee's payment of a fee to such Franchised Business in an amount agreed upon by Franchisee and such Franchised Business.

### **8.D. HIRING PRACTICES.**

Franchisee acknowledges and agrees that Franchisor and its affiliates expend substantial time, effort and expense in training individuals employed to provide Foundation Services and CXO Services to Franchisor's Members (referred to as a "**Franchisor Employee**"). Accordingly, Franchisee agrees that if, during the Term, Franchisee employs a Franchisor Employee to provide Foundation Services or CXO Services to Franchisee's Member, which Franchisor Employee is at the time or was within the preceding 90 days employed by Franchisor or its affiliate, then Franchisee agrees to pay Franchisor or its affiliate, as applicable, an amount equal to either (i) \$70,000 if Franchisee hires such Franchisor Employee without notice to and written approval from Franchisor, or (ii) \$30,000 if Franchisee hires such Franchisor Employee following notice to and written approval from Franchisor. Franchisee acknowledges that such payment is intended to compensate Franchisor or its affiliate for the reasonable costs and expenses (of whatever nature or kind) incurred by Franchisor or its affiliate in connection with the training of such employee. Franchisor and Franchisee each agree that such expenditures may be uncertain and difficult to ascertain, and Franchisor and Franchisee therefore agree that the compensation specified herein reasonably represents such expenditures and is not a penalty. Franchisee shall pay such compensation to Franchisor or its affiliate, as applicable, prior to such Franchisor Employee commencing employment with Franchisee. Franchisor acknowledges and agrees that its affiliates shall be third-party beneficiaries for purposes of collecting any payments due to them under this Section 8.2.

## **9. SYSTEM STANDARDS.**

### **9.A. COMPLIANCE WITH SYSTEM STANDARDS.**

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

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

- (1) the services and products sold to Members by Franchisor or its affiliates, including the number of Members to which Franchisee may provide Foundation Services and/or CXO Services;

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

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

#### **9.B. VARIATION AND MODIFICATION OF SYSTEM STANDARDS.**

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

Franchisor may periodically modify System Standards. These modifications may obligate Franchisee to invest additional capital in Franchisee's Business and/or incur higher operating costs. Franchisee agrees to implement any changes in System Standards within the time period Franchisor

requires, whether they involve refurbishing or remodeling the Office, buying new Operating Assets, adding new products and services, adding personnel, or otherwise modifying the nature of Franchisee's operations, as if they were part of this Agreement as of the Effective Date.

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

### **9.C. APPROVED PRODUCTS AND SERVICES.**

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

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

### **9.D. APPROVED DISTRIBUTORS AND SUPPLIERS.**

Franchisee agrees to use the manufacturers, vendors, distributors, suppliers, and producers (collectively referred to herein as "**suppliers**") that Franchisor specifies or approves for all aspects of the development and operation of Franchisee's Business for which such suppliers provide goods or services. Franchisor also reserves the right to periodically approve or designate the terms and distribution methods for any goods or services. Franchisor may, at its option, arrange with designated suppliers to collect or have its affiliates collect fees and expenses associated with products and services they provide to Franchisee and, in turn, pay the supplier on Franchisee's behalf for such products or services. If Franchisor elects to do so, Franchisee agrees that Franchisor or its affiliates may auto-debit Franchisee's bank account for such amounts in the same manner and using the same authorization set forth in Section 6.K. Franchisor or any of its affiliates may be a supplier, or otherwise party to these transactions, and may derive revenue or profit from such transaction. Franchisor and any of its affiliates may use such revenue or profit without restriction.

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

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

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

Franchisee's Business must adhere to the highest standards of honesty, integrity, fair dealing, and ethical conduct in all dealings with Members, suppliers, Franchisor, and the public. Franchisee agrees to refrain from any business or advertising practice which may injure Franchisor's business and the goodwill associated with the Marks and other Businesses. Franchisee must notify Franchisor in writing within five (5) days of the threat of or commencement of any action, suit or proceeding, and of the issuance of any order, writ, injunction, award or decree of any court, agency or other governmental instrumentality, which may adversely affect Franchisee's operation or financial condition or that of Franchisee's Business, or of any notice of violation of any law, ordinance, or regulation relating to Franchisee's Business.

Franchisee understands and acknowledges that Franchisor and its affiliates are not a law firm and that nothing Franchisor says or does in accordance with this Agreement constitutes legal advice or opinion.

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

## **9.F. INFORMATION SECURITY.**

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

During and after the Term, Franchisee (and each of Franchisee's owners) agree to, and to cause Franchisee's respective current and former employees, representatives, affiliates, successors, and assigns to: (a) collect, disclose, process, retain, and use all Personal Information only in strict accordance with all applicable laws, regulations, orders, the guidance and codes issued by industry or regulatory agencies, and the privacy policies and terms and conditions of any applicable Internet presence; (b) assist Franchisor with

meeting its compliance obligations under applicable laws and regulations relating to Personal Information; and (c) promptly notify Franchisor of any communication or request from any customer or other data subject to access, correct, delete, opt-out of, or limit activities relating to any Personal Information.

If Franchisee becomes aware of a suspected or actual breach of security or unauthorized access involving Personal Information, Franchisee will notify Franchisor immediately and specify the extent to which Personal Information was compromised or disclosed. Franchisee also agrees to follow Franchisor's instructions regarding curative actions and public statements relating to the breach. Franchisor reserves the right to conduct a data security and privacy audit of any part of Franchisee's Business and Technology System at any time, from time to time, to ensure that Franchisee is complying with Franchisor's requirements. Franchisee must promptly notify Franchisor if Franchisee receives any complaint, notice, or communication, whether from a governmental agency, customer or other person, relating to any Personal Information, or Franchisee's compliance with Franchisor's obligations relating to Personal Information under this Agreement, and/or if Franchisee has any reason to believe that Franchisee will not be able to satisfy any of Franchisee's obligations relating to Personal Information under this Agreement.

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

#### **9.G. MANAGEMENT OF FRANCHISEE'S BUSINESS.**

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

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

Notwithstanding the foregoing, Franchisee or its Operating Principal must serve as the initial Chairperson for Franchisee's Weekly CXO Members. Franchisee must receive Franchisor's prior written

consent before Franchisee designates the Designated Manager or another third-party approved by Franchisor to serve as a Chairperson.

## **9.H. PRICING.**

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

## **9.I. MEMBERSHIP AGREEMENTS AND MEMBER INFORMATION.**

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

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

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

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

At Franchisor's request from time to time, Franchisee must send Franchisor a list of Franchisee's Members and all other information pertaining to the Members Franchisor specifies (the "**Member Information**"). Franchisee agrees that Franchisor owns all Member Information, that it comprises part of the Confidential Information which Franchisee is licensed to use under this Agreement, and that Franchisor may use Member Information in Franchisor's and their business activities and may disclose Member Information (such as the number of Members), but during the term of this Agreement, Franchisor will not publicly disclose any Member Information unless Franchisor makes such public disclosure with the applicable Member's consent or without disclosing Franchisee's identity or Franchisee's Business's

Member Information on an individual (i.e., unconsolidated) basis. Upon termination of this Agreement, Franchisor may make any and all disclosures that Franchisor deems necessary or appropriate.

## **10. INSURANCE.**

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

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

## **11. ADVERTISING.**

### **11.A. INITIAL LAUNCH MARKETING PROGRAM.**

Franchisee agrees to spend at least \$5,000 for a Initial Launch Marketing Program for Franchisee's Business to take place during the period beginning on the Effective Date through the date Franchisee opens Franchisee's Business (the "**Initial Launch Marketing Program**"). Franchisee agrees to comply with the System Standards for its Initial Launch Marketing Program. Franchisor may require Franchisee to use the advertising, marketing and/or public relations programs, firms, media and materials Franchisor approves for the Initial Launch Marketing Program. Franchisor reserves the right to approve the type of expenditure that will count towards Franchisee's minimum expenditure on the Initial Launch Marketing Program.

### **11.B. FRANCHISEE MARKETING.**

Separate from and in addition to the Initial Launch Marketing Program, Franchisee agrees to spend a minimum of at least \$1,000 for a marketing and relations program for Members and prospective Members of Franchisee's Business (the "**Franchisee's Advertising Requirement**"). All materials Franchisee uses to promote Franchisee's Business must be provided or made available to by Franchisor or otherwise approved by Franchisor, in writing, prior to Franchisee's use. All such materials that Franchisee creates must be completely clear, factual, ethical and not misleading and must conform to Franchisor's marketing and advertising policies that Franchisor periodically prescribes. Franchisee must submit to Franchisor, for Franchisor's approval, samples of marketing materials Franchisee intends to use at least ten (10) days prior to Franchisee's proposed use. If Franchisee does not receive Franchisor's written approval of the materials within ten (10) days of Franchisee's submission, they are deemed to be disapproved. Franchisor may, in its discretion, withdraw its approval if a regulatory or other issue arises that, in Franchisor's opinion, makes such withdrawal in Franchisor's or the System's best interests.

### 11.C. BRAND FUND.

Franchisor has established a brand fund to be used to promote the awareness of the Brand and Businesses generally (the “**Brand Fund**”). Franchisor or its affiliates or other designees will direct all programs that are funded by Brand Fund Contributions, with sole control over the creative concepts, materials, and endorsements used and their geographic, market, and media placement and allocation. Franchisor may use Brand Fund Contributions to pay for preparing and producing materials and electronic or digital media in any form or format that Franchisor periodically designates, including but not limited to: administrating online advertising strategies, including developing and maintaining a System Website and mobile apps; administering regional and multi-regional marketing and advertising programs; implementing gift and loyalty programs; and supporting public relations, market research, product development, and other advertising, promotional, social media, creation and publishing of books and other marketing materials; and marketing activities. In Franchisor’s discretion, Franchisor may sell Franchisee, at a reasonable price, copies of certain materials funded by Brand Fund Contributions.

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

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

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

Franchisor may at any time defer or reduce Franchisee’s Contributions to the Brand Fund, and upon 30 days’ prior notice to Franchisee, suspend Brand Fund operations for one or more periods of any length and/or terminate (and if terminate, reinstate) the Brand Fund. If Franchisor terminates the Brand Fund, Franchisor will, at its option, either spend all unspent monies at Franchisor’s discretion, until such amounts

are exhausted, or distribute the funds in the Brand Fund to the contributing Business owners in a manner Franchisor deem fair and equitable.

#### **11.D. FRANCHISOR'S APPROVAL OF ADVERTISING MATERIALS.**

Franchisee must obtain Franchisor's written approval for any advertising materials or promotional or marketing strategies that have not been previously approved in the prior 12-month period. Before Franchisee uses any local advertising and promotional materials not prepared by or previously approved by Franchisor, Franchisee will submit samples of such materials to Franchisor for approval. If Franchisor does not approve the materials in writing within 30 days from the date Franchisor receives the materials, the materials are deemed to be disapproved. If Franchisor approves the materials, Franchisee may use them; provided, however, that Franchisor may withdraw its approval, in its discretion, and without compensating Franchisee for any of Franchisee's costs associated with the manufacture or distribution of the unused materials. Franchisee must not use any advertising or promotional materials that Franchisor has not approved or has disapproved. Franchisee agree that Franchisee's advertising, promotion, and marketing will be completely clear, factual, and not misleading and conform to both the highest standards of ethical advertising and marketing and the advertising and marketing policies that Franchisor prescribes from time to time.

#### **11.E. WEBSITES, SOCIAL MEDIA ACCOUNTS, AND OTHER ONLINE PRESENCES.**

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

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

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

Franchisor reserves the right to require Franchisee to obtain from Franchisor and use an email address associated with Franchisor's registered domain name. If Franchisor requires Franchisee to obtain and use such an email address, Franchisee must do so according to Franchisor's then-current terms and

conditions and System Standards. Franchisee acknowledges and agrees that Franchisor will have unrestricted access to and sole ownership of all such email accounts, and all documents, data, materials, and messages shared from or by such accounts. Franchisor may deactivate any such account or limit Franchisee's or its users' access to it at any time.

## **12. RELATIONSHIP OF THE PARTIES/INDEMNIFICATION.**

### **12.A. INDEPENDENT CONTRACTORS.**

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

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

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

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

### **12.C. TAXES.**

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

### **12.D. INDEMNIFICATION BY FRANCHISEE.**

Franchisee agrees to indemnify, defend, and hold harmless Franchisor, its affiliates, and Franchisor's and its respective shareholders, directors, officers, employees, agents, successors, and

assignees (the “**Indemnified Parties**”) against, and to reimburse any one or more of the Indemnified Parties for, all claims, obligations, and damages directly or indirectly arising out of Franchisee’s Business’ operation, Franchisee’s (or Franchisee’s owners, employees, agents, and/or independent contractors’) participation in any training conducted by Franchisor, including the Initial Training Program, the business Franchisee conducts under this Agreement, or Franchisee’s breach of this Agreement, including those alleged to be or found to have been caused by the Indemnified Party’s gross negligence or willful misconduct, unless (and then only to the extent that) the claims, obligations, or damages are determined to be caused solely by Franchisor’s gross negligence or willful misconduct in a final, unappealable ruling issued by a court or arbitrator with competent jurisdiction.

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

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

### **13. MARKS.**

#### **13.A. OWNERSHIP AND GOODWILL OF MARKS.**

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

#### **13.B. LIMITATIONS ON FRANCHISEE’S USE OF THE MARKS.**

Franchisee has no right to sublicense or assign Franchisee’s right to use the Marks. Franchisee agrees to display the Marks prominently on forms, advertising, supplies, employee uniforms, and other materials associated with Franchisee’s Business that Franchisor designate. If Franchisee’s Business is operated from a leased commercial space, Franchisee must obtain Franchisor’s prior written approval of all

signage used at the premises. Franchisee may not use any other trademarks, service marks or commercial symbols to identify or operate Franchisee's Business.

Franchisee agrees to identify itself as the independent owner of Franchisee's Business in the manner Franchisor prescribe. Franchisee may not use any Mark (1) as part of any corporate or legal business name; (2) with any prefix, suffix, or other modifying words, terms, designs, or symbols (other than logos Franchisor have licensed to Franchisee); (3) in selling any unauthorized services or products; (4) as part of any Online Presence, except in accordance with Franchisor's guidelines set forth in the Operations Manual or otherwise in writing from time to time; (5) in advertising the transfer, sale, or other disposition of Franchisee's Business or an ownership interest in Franchisee; or (6) in any other manner that Franchisor has not expressly authorized in writing.

### **13.C. NOTIFICATION OF INFRINGEMENT AND CLAIMS.**

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

### **13.D. DISCONTINUANCE OF USE OF MARKS.**

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

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

### **13.E. INDEMNIFICATION FOR USE OF THE MARKS.**

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

defend and control the defense of any proceeding arising from Franchisee's use of any Mark under this Agreement.

#### **14. RECORDS AND REPORTS.**

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

Franchisee shall comply with the following reporting obligations:

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

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

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

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

#### **15. INSPECTION AND AUDITS.**

##### **15.A. FRANCHISOR'S RIGHT TO INSPECT FRANCHISEE'S BUSINESS.**

To determine whether Franchisee and Franchisee's Business are complying with this Agreement and all System Standards, Franchisor and its designated agents or representatives may at all times and

without prior notice to Franchisee: (1) inspect the Office and any location where any of Franchisee's employees are providing services; (2) photograph the Office and observe and videotape Franchisee's Business' operation for consecutive or intermittent periods Franchisor deem necessary; (3) access and inspect Franchisee's Technology System, including Franchisee's accounting system, without restriction; (4) remove samples of any products and supplies; (5) interview Franchisee's Business' personnel and Members; and (6) inspect and copy any books, records, and documents relating to Franchisee's Business' operation. Additionally, Franchisor may contract with third parties to conduct Member survey or other market research testing, and "mystery shopper" and other quality assurance inspections at Franchisee's Business, and Franchisor reserves the right to require Franchisee to reimburse Franchisor the costs and expenses associated with such inspection services. Franchisee agrees to cooperate with Franchisor fully during the course of these inspections and tests. If Franchisor exercises any of these rights, Franchisor will not interfere unreasonably with Franchisee's Business' operation.

#### **15.B. FRANCHISOR'S RIGHT TO AUDIT.**

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

#### **16. TRANSFER OF INTEREST.**

##### **16.A. BY FRANCHISOR.**

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

##### **16.B. BY FRANCHISEE.**

Franchisee acknowledges that the rights and duties this Agreement creates are personal to Franchisee and Franchisee's owners and that Franchisor has granted Franchisee the Franchise in reliance on Franchisor's perception of Franchisee's and Franchisee's owners' individual or collective character,

skill, aptitude, attitude, business ability, and financial capacity. Accordingly, none of the following may be transferred without Franchisor's prior written approval: (i) this Agreement (or any interest in this Agreement); (ii) Franchisee's Business (or any right to receive all or a portion of Franchisee's Business' profits or losses or capital appreciation related to Franchisee's Business); (iii) substantially all of the assets of Franchisee's Business; (iv) any direct or indirect ownership interest in Franchisee's Business (regardless of its size); or (v) any direct or indirect ownership interest in any of Franchisee's Business' employees or owners (if such owners are legal entities). A transfer of Franchisee's Business' ownership, possession, or control, or substantially all of its assets, may be made only with a transfer of this Agreement. Any transfer without Franchisor's approval is a breach of this Agreement and has no effect. In this Agreement, the term **"transfer"** includes a voluntary, involuntary, direct, or indirect assignment, sale, gift, or other disposition, including transfer by reason of merger, consolidation, issuance of additional securities, death, disability, divorce, insolvency, foreclosure, surrender or by operation of law.

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

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

#### **16.C. CONDITIONS FOR APPROVAL OF TRANSFER.**

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

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

- (1) Franchisee submits an application, in writing, requesting Franchisor's consent and provides Franchisor all information or documents Franchisor requests about the transferee and its

owners to evaluate their ability to satisfy their respective obligations under Franchisor's then-current form of franchise agreement and any documents ancillary thereto, and each such person must have completed and satisfied all of Franchisor's application and certification requirements, including the criteria that neither the transferee nor its owners (if the transferee is an entity) or affiliates have an ownership interest (direct or indirect) in or perform services for a Competitive Business;

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

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

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

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

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

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

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

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

transfer is to an existing franchisee of Franchisor, in which case the transfer fee is equal to 33% of Franchisor's then-current Initial Franchise Fee;

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

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

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

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

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

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

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

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

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

(2) if Franchisee is a limited liability company, such percentage of the membership interests as (a) shall permit determination of the outcome on any issue and (b) shall prevent any

other person, group, combination or entity from blocking voting control on any issue or exercising any veto power.

#### **16.D. DEATH OR DISABILITY.**

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

If Franchisor (or its designee) assumes interim operations of Franchisee's business, then from the date of such assumption to the earlier of the termination of this Agreement or Franchisee's transfer to a person Franchisor approves, Franchisor will collect Franchisee's Share in an account Franchisor designates, which may be Franchisee's business account and/or the business account of Franchisor or its designee. Franchisor will account for and deduct from Franchisee's Share 15% thereof as a fee for such interim operations, plus all operating expenses of Franchisee's Business, including any and all of Franchisor's (or its designee's) costs and expenses arising from such interim operations, which Franchisee acknowledges that Franchisee will reimburse in full as an operating expense of Franchisee's Business. Franchisee understands and acknowledges that during any such interim period, Franchisee is still the owner of Franchisee's Business and continues to bear sole liability for any and all accounts payable, obligations, and/or contracts, including all obligations to Franchisee's vendors, employees, and contractors. Franchisee understands that Franchisor is not required to use Franchisee's employees, vendors, or accounts to operate Franchisee's Business. Franchisee also agrees that Franchisor may elect to cease such interim operations of Franchisee's Business at any time with notice to Franchisee.

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

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

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

from Franchisee (or its owner(s)) under a separate, contemporaneous transaction, Franchisee shall submit a true and complete copy of a bona fide, arms' length executed letter of intent for that transaction (and any proposed ancillary agreements).

Franchisor will have the right, but not the requirement, exercisable by written notice delivered to Franchisee or such owner(s) within 30 days from the date of receipt by Franchisor of an exact copy of such letter of intent to purchase such interest for the price and on the terms and conditions contained in such letter of intent, provided that Franchisor's credit shall be deemed equal to the credit of any proposed purchaser, and Franchisor shall have not less than 60 days to prepare for closing. If the letter of intent contemplates payment of any or the entire purchase price by a credit instrument of any type, Franchisor shall have the option to use the same payment method at Franchisor's discretion, and Franchisor may choose to use alternative means of payment subject to the individual agreement. Regardless of whether contemplated under the letter of intent, Franchisor shall be entitled to all customary representations and warranties given by the seller of a business, including representations and warranties as to: (1) ownership, condition and title to the ownership interests and/or assets being purchased; (2) liens and encumbrances relating to such ownership interests and/or assets; and (3) validity of contracts and liabilities, contingent or otherwise, of any legal entity whose ownership interests are purchased.

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

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

## **17. TERMINATION.**

### **17.A. TERMINATION BY FRANCHISOR.**

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

- (1) Franchisee (or any of its owners) have made or make any material misrepresentation or omission in acquiring the Franchise or operating Franchisee's Business;
- (2) Franchisee does not comply with the conditions specified in Section 4, and commence operations of Franchisee's Business for full use by Members, by the Commencement Deadline specified in Section 4.E;
- (3) Franchisee's Operating Principal does not complete the Initial Training Program to Franchisor's satisfaction in accordance with Section 5.A;
- (4) Franchisee abandons or fails to actively operate Franchisee's Business for more than two (2) consecutive business days, or 14 days during any 12-month period, or provide

Franchisor or any other party notice (written or oral) that Franchisee intends to permanently close or otherwise abandon the operation of Franchisee's Business;

(5) Franchisee (or its owner(s)) makes or attempts to make any transfer in violation of Section 16;

(6) Franchisee (or any of its owner(s)) is or has been convicted by a trial court of, or pleaded guilty or no contest to, a felony (or any other offense or conduct that Franchisor reasonably determines is likely to adversely reflect on Franchisee's Business, the Marks, the System, or Franchisor or its affiliates);

(7) Franchisee fails to maintain the insurance Franchisor requires and does not correct the failure within five (5) days after Franchisor delivers written notice of that failure to Franchisee;

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

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

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

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

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

(13) Franchisee has insufficient funds in its Business Account to cover Franchisee's payments owed for any amounts due on three (3) separate occasions within a 12-month period;

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

(15) Franchisee (or any of its owner(s)) makes an assignment for the benefit of creditors or admits in writing Franchisee's insolvency or inability to pay its debts generally as they become due; Franchisee consents to the appointment of a receiver, trustee, or liquidator of all or the substantial part of Franchisee's property; Franchisee's Business is attached, seized, subjected to a

writ or distress warrant, or levied on, unless the attachment, seizure, writ, warrant, or levy is vacated within 30 days; or any order appointing a receiver, trustee, or liquidator of Franchisee or Franchisee's Business is not vacated within 30 days following the order's entry;

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

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

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

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

#### **17.B. TERMINATION BY FRANCHISEE.**

Franchisee may terminate this Agreement if Franchisee is in full compliance with this Agreement and Franchisor materially fails to comply with this Agreement, and (i) Franchisor fails to correct the failure within one hundred eighty (180) days after Franchisee delivers written notice of the material failure to Franchisor, or (ii) if Franchisor cannot correct the failure within one hundred eighty (180) days, Franchisor fails to give Franchisee within one hundred eighty (180) days after Franchisee's notice reasonable evidence of Franchisor's effort to correct the failure within a reasonable time. Franchisee's termination in accordance with the foregoing will be effective an additional thirty (30) days after Franchisee delivers to Franchisor a written notice of termination following Franchisor's failure to correct the failure identified in Franchisee's initial written notice to Franchisor.

Additionally, provided Franchisee is in compliance with all of its obligations, requirements, conditions and terms set forth in this Agreement, Franchisee may terminate this Agreement (the "**Termination Option**") by giving Franchisor prior written notice (the "**Decommissioning Notice**") of ninety (90) days (the "**Plan Period**"). If Franchisee delivers a Decommissioning Notice, then prior to expiration of the Plan Period, Franchisor and Franchisee shall develop a plan subject to Franchisor's approval for an orderly decommissioning process (the "**Decommissioning Plan**"). Under the Decommissioning Plan, Franchisee would continue to operate Franchisee's Business in compliance with this Agreement until the Termination Date (defined below), and would further cooperate as reasonably requested by Franchisor to ensure a respectful, professional, and organized transition of the Members of Franchisee's Business to another Franchised Business. All of Franchisee's and Franchisor's obligations under this Agreement will continue to apply through the Termination Date. If Franchisee exercises the Termination Option and otherwise complies the terms of this Agreement and the Decommissioning Plan, this Agreement will terminate effective as of the Termination Date without payment of Lost Revenue Damages. As used herein, "**Termination Date**" means (i) the date twelve (12) months after Franchisor's approval of the Decommissioning Plan, or (ii) Franchisee's earlier completion, to Franchisor's satisfaction, of the Decommissioning Plan. If Franchisee terminates this Agreement other than according to this Section 17.B, the termination will be deemed a termination without cause and a breach of this Agreement.

## **18. OBLIGATIONS UPON TERMINATION OR EXPIRATION.**

### **18.A. PAYMENT OF AMOUNTS OWED TO FRANCHISOR.**

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

### **18.B. MARKS.**

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

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

- (a) may not directly or indirectly at any time or in any manner (except with other Businesses Franchisee owns and operates) identify itself or any business as a current or former Business or as one of Franchisor's current or former franchise owners; use any Mark, any colorable imitation of a Mark, or other indicia of a Franchised Business in any manner or for any purpose; or use for any purpose any trade name, trade or service mark, or other commercial symbol that indicates or suggests a connection or association with Franchisor;
- (b) agree to take the action required to cancel or assign all fictitious or assumed name or equivalent registrations relating to Franchisee's use of any Mark;
- (c) agree to cease using and, at Franchisor's direction, either disable or instruct the registrar of any Contact Identifiers or Online Presence to transfer exclusive control and access of such Contact Identifiers or Online Presence to Franchisor or its designee in accordance with its instructions;
- (d) agree to comply with all applicable laws in connection with the closure and de-identification of Franchisee's Business;
- (e) immediately cease using any email address that is associated with a domain name Franchisor owns or the Marks;
- (f) must provide Franchisor with all agreements and other data pertaining to existing and potential Members solicited or otherwise engaged by Franchisee's Business;

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

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

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

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

#### **18.C. CONFIDENTIAL INFORMATION.**

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

#### **18.D. CONTINUING OBLIGATIONS.**

All of Franchisor's and Franchisee's (and Franchisee's owner(s)') obligations which expressly or by their nature survive this Agreement's expiration or termination will continue in full force and effect subsequent to and notwithstanding its expiration or termination and until they are satisfied in full or by their nature expire.

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

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

(1) have any interest as a disclosed or beneficial owner in any Competitive Business located or operating within the United States;

(2) perform services as a director, officer, manager, employee, consultant, lessor, representative, agent, or otherwise for any Competitive Business located or operating within the United States;

(3) solicit or employ any current or former employee or independent contractor of Franchisor, its affiliates, or any other Franchised Business for any Competitive Business; or

(4) divert or attempt to divert any business or any Members or clients of Franchisor, its affiliates, or any Franchised Business to any Competitive Business.

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

#### **18.F. WEBSITE.**

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

#### **18.G. MEMBERSHIP AGREEMENTS UPON TERMINATION.**

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

#### **18.H. LOST REVENUE DAMAGES.**

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

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

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

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

Except with respect to Franchisor's purchase of Franchisee's Business upon a Non-Renewal Purchase Option under Section 3.C, the purchase price for the assets of Franchisee's Business shall be the reasonable fair market value of the purchased assets, provided that these items will not include any value for the rights granted by this Agreement, any goodwill attributable to Franchisor's Marks, brand image, and other intellectual property, or any participation in the network of Businesses. Franchisor shall have the right to set off against and reduce the purchase price by any and all amounts owed by Franchisee to Franchisor, the amount of any liabilities assumed by Franchisor, and the amount necessary to modify or replace any assets so that Franchisee's Business meets Franchisor's then-current standards and specifications for Businesses.

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

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

## **20. ENFORCEMENT.**

### **20.A. MEDIATION.**

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

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

Regardless of which party initiates the mediation, the parties agree to conduct the mediation at a suitable location chosen by the mediator that is within 10 miles of Franchisor’s (or Franchisor’s successor’s or assign’s, as applicable) then current principal place of business (currently, Coconut Grove, Florida). At least 7 days before the first scheduled session of the mediation, each party shall deliver to the mediator a concise written summary of its position with respect to the matters in dispute (such as claims or defenses) and such other matters required by the mediator.

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

Notwithstanding anything contained in this Section 20.A to the contrary, the obligation for a party to commence mediation hereunder will not apply to any disputes wherein: (i) Franchisor brings an action for an express obligation to pay amounts due hereunder, declaratory relief, preliminary or permanent equitable relief, any action at law for damage to Franchisor’s goodwill, the Confidential Information, the Marks or for fraudulent conduct by Franchisee; or (ii) the delay resulting from the mediation process may endanger or adversely affect the public (for example, unhealthy, unsafe or unsanitary conditions would continue to exist). For such disputes, Franchisor may bring an action in any federal or state court having

jurisdiction, whether for monetary damages and/or for temporary preliminary and permanent injunctive relief or specific performance in addition to, and not exclusive of, any other remedies available to Franchisor. Franchisee hereby consents to and waives any objection or defense and agrees not to contest venue, forum non conveniens or jurisdiction of such court or arbitration.

## **20.B. ARBITRATION.**

Franchisor and Franchisee agree that all controversies, disputes, or claims which cannot be resolved by mediation under Section 20.A between Franchisor or any of its affiliates, and Franchisor's and their respective shareholders, officers, directors, agents, and employees, on the one hand, and Franchisee (and its owners, guarantors, affiliates, and employees), on the other hand, arising out of or related to: (1) this Agreement or any other agreement between Franchisee (or any of its owners) and Franchisor (or any of its affiliates); (2) Franchisor's relationship with Franchisee; (3) the scope or validity of this Agreement or any other agreement between Franchisee (or any of its owners) and Franchisor (or any of its affiliates) or any provision of any of such agreements (including the validity and scope of the arbitration provision under this Section, which Franchisor and Franchisee acknowledge is to be determined by an arbitrator, not a court); or (4) any System Standard, must be submitted for binding arbitration, on demand of either party, to the AAA. The arbitration proceedings will be conducted by one arbitrator and, except as this Section otherwise provides, according to the AAA's then-current Commercial Arbitration Rules. All proceedings will be conducted at a suitable location chosen by the arbitrator that is within fifty (50) miles of Franchisor or, as applicable, Franchisor's successor's or assign's then current principal place of business (currently, Coconut Grove, Florida). All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. §§ 1 et seq.). The interim and final awards of the arbitrator shall be final and binding upon each party, and judgment upon the arbitrator's awards may be entered in any court of competent jurisdiction.

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

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

Franchisor and Franchisee agree that arbitration will be conducted on an individual basis and that an arbitration proceeding between Franchisor and any of its affiliates, or Franchisor's and their respective shareholders, officers, directors, agents, and employees, on the one hand, and Franchisee (or its owners, guarantors, affiliates, and employees), on the other hand, may not be: (i) conducted on a class-wide basis, (ii) commenced, conducted or consolidated with any other arbitration proceeding, (iii) joined with any separate claim of an unaffiliated third-party, or (iv) brought on Franchisee's behalf by any association or

agent. Notwithstanding the foregoing, if any court or arbitrator determines that all or any part of the preceding sentence is unenforceable with respect to a dispute, controversy or claim that otherwise would be subject to arbitration under this Section, then all parties agree that this arbitration clause shall not apply to that dispute, controversy or claim and that such dispute, controversy or claim shall be resolved in a judicial proceeding in accordance with the dispute resolution provisions of this Agreement.

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

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

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

#### **20.C. SEVERABILITY AND SUBSTITUTION OF VALID PROVISIONS.**

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

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

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

#### **20.D. WAIVER OF OBLIGATIONS.**

Franchisor and Franchisee may by written instrument unilaterally waive or reduce any obligation of or restriction on the other under this Agreement, effective on delivery of written notice to the other or

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

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

The following provision applies if Franchisee or the Franchise granted hereby are subject to the franchise registration or disclosure laws in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, Rhode Island, Virginia, Washington, or Wisconsin: No statement, questionnaire, or acknowledgment signed or agreed to by Franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any Franchisor, any franchise seller, or any other person acting on Franchisor's behalf. This provision supersedes any other term of any document executed in connection with the franchise.

#### **20.E. SPECIFIC PERFORMANCE / INJUNCTIVE RELIEF.**

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

#### **20.F. RIGHTS OF PARTIES ARE CUMULATIVE.**

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

#### **20.G. GOVERNING LAW.**

Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.), or other United States federal law, this Agreement, the Franchise and all claims arising from the relationship between Franchisor and Franchisee will be governed by the laws of the State

of Florida, without regard to its conflict of laws rules, except that (1) any state law regulating the offer or sale of franchises or governing the relationship of a franchisor and its franchisee will not apply unless its jurisdictional requirements are met independently without reference to this Section, and (2) the enforceability of those provisions of this Agreement which relate to restrictions on Franchisee and its owners' competitive activities will be governed by the laws of the state in which Franchisee's Business is located.

#### **20.H. CONSENT TO JURISDICTION.**

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

#### **20.I. VARIANCES.**

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

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

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

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

NO PREVIOUS COURSE OF DEALING SHALL BE ADMISSIBLE TO EXPLAIN, MODIFY, OR CONTRADICT THE TERMS OF THIS AGREEMENT. NO IMPLIED COVENANT OF GOOD

FAITH AND FAIR DEALING SHALL BE USED TO ALTER THE EXPRESS TERMS OF THIS AGREEMENT.

#### **20.K. WAIVER OF PUNITIVE DAMAGES.**

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

#### **20.L. WAIVER OF JURY TRIAL.**

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

#### **20.M. BINDING EFFECT.**

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

#### **20.N. CONSTRUCTION.**

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

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

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

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

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

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

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

## **20.O. DELEGATION OF PERFORMANCE.**

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

## **21. NOTICES AND PAYMENTS.**

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

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

Reports required to be delivered shall be delivered by U.S. mail unless otherwise specified herein. Notices must be sent to the party to be notified at its most current principal business address of which the notifying party has notice; except that, it will always be deemed acceptable to send notice to Franchisee at the address of the Office.

## **22. BUSINESS JUDGMENT.**

Franchisor retains the right to operate, develop and change the System and the products and services offered by Businesses in any manner that is not specifically prohibited in this Agreement. Whenever Franchisor has reserved the right in this Agreement to take or refrain from taking any action, or to prohibit Franchisee from taking or refraining from any action, Franchisor may, except as otherwise specifically provided in this Agreement, make Franchisor's decision or exercise its rights based on the information then readily available to Franchisor and on its judgment of what is in its best interests, the best interests of its affiliates and/or the best interests of Businesses as a whole at the time the decision is made, regardless of whether Franchisor could have made other reasonable, or even arguably preferable, alternative decisions and regardless of whether its decision or action promotes its interests, those of its affiliates or any other person or entity.

*[Signature Page Follows]*

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

**FRANCHISOR:**

**HOW TO MANAGE A SMALL LAW FIRM**  
**FRANCHISOR, LLC**, a Florida limited liability  
company

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

(\*This is the Effective Date)

**FRANCHISEE:**

\_\_\_\_\_  
**[Name], a [state/type]**

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

**ATTACHMENT A**  
**TO FRANCHISE AGREEMENT**

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

Name: \_\_\_\_\_  
Attention: \_\_\_\_\_  
Address: \_\_\_\_\_  
Email Address: \_\_\_\_\_

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

\_\_\_ Individual  
\_\_\_ Corporation      \_\_\_ Limited Liability Company

State Formed: \_\_\_\_\_ Date: \_\_\_\_\_

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

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

4. **Office Address:** \_\_\_\_\_

**ATTACHMENT B**  
**TO FRANCHISE AGREEMENT**

**GUARANTY AND ASSUMPTION OF OBLIGATIONS**

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

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

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

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

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

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

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

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

*[Signature page to follow]*

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

| GUARANTOR(S)                                                   | SPOUSE(S)                                                      |
|----------------------------------------------------------------|----------------------------------------------------------------|
| Name: _____<br>Sign: _____<br>Address: _____<br>_____<br>_____ | Name: _____<br>Sign: _____<br>Address: _____<br>_____<br>_____ |
| Name: _____<br>Sign: _____<br>Address: _____<br>_____<br>_____ | Name: _____<br>Sign: _____<br>Address: _____<br>_____<br>_____ |

**ATTACHMENT C**

**ELECTRONIC FUNDS TRANSFER AUTHORIZATION FORM**

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

**HOW TO MANAGE A SMALL LAW FIRM FRANCHISE, LLC/PAYEE**

| BANK NAME | ACCOUNT # | ABA#  | FEIN  |
|-----------|-----------|-------|-------|
| _____     | _____     | _____ | _____ |

**[Affiliate]/PAYEE**

| BANK NAME | ACCOUNT # | ABA#  | FEIN  |
|-----------|-----------|-------|-------|
| _____     | _____     | _____ | _____ |

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

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

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

### Payor/Franchisee Account Information

Name of Depository:

---

Name of Depositor:

---

Designated Bank Acct.:

---

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

Business Location:

---

For information call:

---

Address:

---

Phone #:

---

Fax #:

---

Name of Franchisee/Depositor (please print):

---

By:

---

Signature and Title of Authorized Representative

Date:

---

**EXHIBIT B**

**STATE ADMINISTRATORS/AGENTS FOR SERVICE OF PROCESS**

## **EXHIBIT B**

### **STATE ADMINISTRATORS/AGENTS FOR SERVICE OF PROCESS**

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

#### **CALIFORNIA**

Department of Financial Protection &  
Innovation:  
Toll Free: 1 (866) 275-2677

##### ***Los Angeles***

Suite 750  
320 West 4<sup>th</sup> Street  
Los Angeles, California 90013  
(213) 576-7500

##### ***Sacramento***

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

##### ***San Diego***

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

##### ***San Francisco***

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

#### **HAWAII**

(state administrator)

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

(agent for service of process)

Commissioner of Securities of the State of  
Hawaii  
Department of Commerce and Consumer Affairs  
Business Registration Division  
Securities Compliance Branch  
335 Merchant Street, Room 203  
Honolulu, Hawaii 96813  
(808) 586-2722

#### **ILLINOIS**

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

## **INDIANA**

(state administrator)

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

(agent for service of process)

Indiana Secretary of State  
201 State House  
200 West Washington Street  
Indianapolis, Indiana 46204  
(317) 232-6531

## **MARYLAND**

(state administrator)

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

(agent for service of process)

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

## **MICHIGAN**

(state administrator)

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

(agent for service of process)

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

## **MINNESOTA**

(state administrator)

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

(agent for service of process)

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

## **NEW YORK**

(state administrator)

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

(agent for service of process)

Attention: New York Secretary of State  
New York Department of State  
One Commerce Plaza,  
99 Washington Avenue, 6th Floor  
Albany, NY 12231-0001  
(518) 473-2492

## **NORTH DAKOTA**

(state administrator)

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

(agent for service of process)

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

## **OREGON**

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

## **RHODE ISLAND**

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

## **SOUTH DAKOTA**

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

## **VIRGINIA**

(state administrator)

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

(agent for service of process)

Clerk, State Corporation Commission  
1300 East Main Street, First Floor  
Richmond, Virginia 23219  
(804) 371-9733

## **WASHINGTON**

(state administrator)

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

(agent for service of process)

Director  
Department of Financial Institutions  
Securities Division  
150 Israel Road, S.W.  
Tumwater, Washington 98501

**WISCONSIN**

(state administrator)

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

(agent for service of process)

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

**EXHIBIT C**  
**FINANCIAL STATEMENTS**

**HOW TO MANAGE A SMALL LAW FIRM FRANCHISOR LLC**  
**(A Limited Liability Company)**

**BALANCE SHEET**

**DECEMBER 2, 2024**

**HOW TO MANAGE A SMALL LAW FIRM FRANCHISOR LLC**  
**(A Limited Liability Company)**  
**DECEMBER 2, 2024**

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## **INDEPENDENT AUDITOR'S REPORT**

To the Member  
How to Manage a Small Law Firm Franchisor LLC

### **Opinion**

We have audited the accompanying balance sheet of How to Manage a Small Law Firm Franchisor LLC (a limited liability company) as of December 2, 2024, and the related notes to the financial statement.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position of How to Manage a Small Law Firm Franchisor LLC as of December 2, 2024, 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 Financial Statement section of our report. We are required to be independent of How to Manage a Small Law Firm Franchisor LLC and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statement**

Management is responsible for the preparation and fair presentation of the financial statement 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 the financial statement that is free from material misstatement, whether due to fraud or error.

In preparing the financial statement, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about How to Manage a Small Law Firm Franchisor LLC's ability to continue as a going concern within one year after the date that the financial statement is available to be issued.

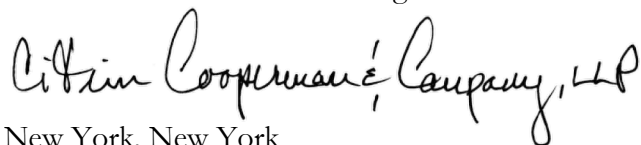
## Auditor's Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is 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 are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statement.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement.
- 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 How to Manage a Small Law Firm Franchisor LLC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statement.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about How to Manage a Small Law Firm Franchisor LLC's ability to continue as a going concern for a reasonable period of time.

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



New York, New York  
December 11, 2024

**HOW TO MANAGE A SMALL LAW FIRM FRANCHISOR LLC**  
**(A Limited Liability Company)**  
**BALANCE SHEET**  
**DECEMBER 2, 2024**

**ASSETS**

|                     |                                 |
|---------------------|---------------------------------|
| Cash                | \$ <u>100,000</u>               |
| <b>TOTAL ASSETS</b> | <b>\$ <u><u>100,000</u></u></b> |

**LIABILITIES AND MEMBER'S EQUITY**

|                                              |                                 |
|----------------------------------------------|---------------------------------|
| Liabilities                                  | \$ -                            |
| Commitments (Notes 4 and 5)                  |                                 |
| Member's equity                              | <u>100,000</u>                  |
| <b>TOTAL LIABILITIES AND MEMBER'S EQUITY</b> | <b>\$ <u><u>100,000</u></u></b> |

See accompanying notes to financial statement.

**HOW TO MANAGE A SMALL LAW FIRM FRANCHISOR LLC**  
**(A Limited Liability Company)**  
**NOTES TO FINANCIAL STATEMENT**  
**DECEMBER 2, 2024**

**NOTE 1.      ORGANIZATION AND NATURE OF OPERATIONS**

How to Manage a Small Law Firm Franchisor LLC (the "Company" or "Franchisor"), a wholly-owned subsidiary of How to Manage a Small Law Firm Franchise Holding Company LLC (the "Parent"), was formed on November 6, 2024, as a Florida limited liability company, to sell franchises pursuant to a license agreement dated December 5, 2024 between the Company and How to Manage IP Holding Company LLC (the "Licensor"), an entity related through common ownership of the Parent. Pursuant to the Company's standard franchise agreement, franchisees will operate a business under the "How to Manage a Small Law Firm" name and system that offers a membership-based business that provides a variety of tiered programs and services to solo and small law firms that have entered into membership agreements entitling them to various levels of attention, access, and resources. The Company has not had significant operations from the date of formation through December 11, 2024, the date on which the financial statement was available to be issued, and has not executed any franchise agreements as of that date.

The Company is a limited liability company and, therefore, the member is not liable for the debts, obligations or other liabilities of the Company, whether arising in contract, tort or otherwise, unless the member has signed a specific guarantee.

**NOTE 2.      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of accounting

The accompanying financial statement has been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Use of estimates

The preparation of a balance sheet in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the balance sheet. Actual results could differ from those estimates.

Revenue and cost recognition

The Company expects that it will derive substantially all its revenue from franchise agreements related to franchise fee revenue, membership fees, transfer fees, technology fees and brand fund fees. No such franchise agreements have been executed by the Company as of the date this financial statement was available to be issued.

*Franchise fees, membership fees and other franchise-related fees*

Contract consideration from franchisees is expected to consist primarily of initial or renewal franchise fees, sales-based membership fees, fixed-fee brand fund fees, fixed-fee technology fees, and transfer fees payable by a franchisee for the transfer of their franchise unit to another franchisee. The Company intends to collect an up-front fee for the grant of such rights. The initial franchise fees are nonrefundable and collectable when the underlying franchise agreement is signed by the franchisee. Sales-based membership fees, fixed-fee brand fund fees, and fixed-fee technology fees will be payable monthly. Renewal and transfer fees are due from franchisees when an existing franchisee renews the franchise agreement for an additional term or when a transfer to a third party occurs, respectively.

**HOW TO MANAGE A SMALL LAW FIRM FRANCHISOR LLC**  
**(A Limited Liability Company)**  
**NOTES TO FINANCIAL STATEMENT**  
**DECEMBER 2, 2024**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Revenue and cost recognition (continued)

*Franchise fees, membership fees and other franchise-related fees (continued)*

The Company's primary performance obligation under the franchise agreement includes granting certain rights to the Company's intellectual property in addition to a variety of activities relating to opening a franchise unit. Those services include training and other such activities commonly referred to collectively as "pre-opening activities." The Company will determine if a certain portion of those pre-opening activities provided is not brand specific and provides the franchisee with relevant general business information that is separate from the operation of a Company-branded franchise unit. The portion of pre-opening activities that is not brand specific will be deemed to be distinct, as it provides a benefit to the franchisee and is not highly interrelated to the use of the Company's intellectual property, and will therefore be accounted for as a separate performance obligation. All other pre-opening activities are expected to be highly interrelated to the use of the Company's intellectual property and will therefore be accounted for as a single performance obligation, which is satisfied by granting certain rights to use the Company's intellectual property over the term of each franchise agreement.

The Company will estimate the stand-alone selling price of pre-opening activities using an adjusted market assessment approach. The Company will first allocate the initial franchise fees and the fixed consideration under the franchise agreement to the stand-alone selling price of the pre-opening activities and the residual, if any, to the right to access the Company's intellectual property. Consideration allocated to pre-opening activities that are not brand specific will be recognized when those performance obligations are satisfied.

Initial and renewal franchise fees allocated to the right to access the Company's intellectual property will be recognized as revenue on a straight-line basis over the term of the respective franchise agreement.

Membership fees will be earned as a percentage of franchisee gross sales earned under membership agreements ("sales-based membership fees") over the term of the franchise agreement, as defined in each respective franchise agreement. Franchise membership fees which represent sales-based membership fees that are related entirely to the use of the Company's intellectual property will be recognized as franchisee sales occur and the membership fee is deemed collectible.

*Brand fund*

The Company may maintain a brand fund which will be established to collect and administer funds contributed for use in marketing and promotional programs for franchise units. Brand fund fees will be collected from franchisees based on a fixed-fee of \$100 per month. The Company has determined that it acts as a principal in the collection and administration of the brand fund and therefore will recognize the revenues and expenses related to the brand fund on a gross basis. The Company has determined that the right to access its intellectual property and administration of the brand development fund are highly interrelated and therefore will be accounted for as a single performance obligation.

**HOW TO MANAGE A SMALL LAW FIRM FRANCHISOR LLC**  
**(A Limited Liability Company)**  
**NOTES TO FINANCIAL STATEMENT**  
**DECEMBER 2, 2024**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Revenue and cost recognition (continued)

*Brand fund (continued)*

If brand fund fees exceed the related brand fund expenses in a reporting period, advertising costs will be accrued up to the amount of brand fund revenues recognized.

*Technology fees*

The Company will develop or license technology, as well as provide other maintenance, support, and technology development services to the franchisees. Technology fees will be collected from franchisees based on a fixed fee of \$50 per month.

*Other revenues*

The Company will recognize revenue from other fees and other services provided to the franchisees as a single performance obligation, when the services are rendered.

*Incremental costs of obtaining a contract*

The Company will capitalize direct and incremental costs, principally consisting of commissions, associated with the sale of franchises and amortize them over the term of the franchise agreement.

Accounts receivable

Accounts receivable will be stated at the amount the Company expects to collect. The Company will maintain an allowance for credit losses to estimate expected lifetime credit losses that are based on historical experience, the aging of accounts receivable, consideration of current economic conditions and its expectations of future economic conditions. If the financial condition of the Company's franchisees was to deteriorate or other circumstances occur that result in an impairment of franchisees' ability to make payments, the Company will record additional allowances as needed. The Company will write off uncollectible receivables against the allowance when collection efforts have been exhausted.

Income taxes

The Company is treated as a partnership for tax purposes and, as such, is not liable for federal or state income taxes. As a single-member limited liability company and, therefore, a disregarded entity for income tax purposes, the Company's assets and liabilities are combined with and included in the income tax return of the Parent. Accordingly, the accompanying financial statement does not include a provision or liability for federal or state income taxes.

Uncertain tax positions

The Company recognizes and measures its unrecognized tax benefits in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 740, *Income Taxes*. Under that guidance, management assesses the likelihood that tax positions will be sustained upon examination based on the facts, circumstances and information, including the technical merits of those positions, available at the end of each period. The measurement of unrecognized tax benefits is adjusted when new information is available or when an event occurs that requires a change. There were no uncertain tax positions at December 2, 2024.

**HOW TO MANAGE A SMALL LAW FIRM FRANCHISOR LLC**  
**(A Limited Liability Company)**  
**NOTES TO FINANCIAL STATEMENT**  
**DECEMBER 2, 2024**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Subsequent events

In accordance with FASB ASC 855, *Subsequent Events*, the Company has evaluated subsequent events through December 11, 2024, the date on which this financial statement was available to be issued. Except as disclosed in Note 5, there were no other material subsequent events that required recognition or additional disclosure in this financial statement.

**NOTE 3. CONCENTRATION OF CREDIT RISK**

The Company places its cash, which may at times be in excess of Federal Deposit Insurance Corporation insurance limits, with a major financial institution. Management believes that this policy will limit the Company's exposure to credit risk.

**NOTE 4. BRAND FUND**

Pursuant to the structured form of the franchising arrangement, the Company reserves the right to collect brand fund fees of \$100 per month. These funds are to be spent solely on advertising and related expenses for the benefit of the franchisees with a portion designated to offset the Company's administrative costs to administer the funds, all at the discretion of the Company. There have been no contributions to the brand fund as of the date this financial statement was available to be issued.

**NOTE 5. RELATED-PARTY TRANSACTIONS**

License agreement

On December 5, 2024, the Company entered into a 99-year non-exclusive license agreement with the Licensor for the use of the registered name "How to Manage a Small Law Firm" (the "license agreement") in the United States of America. Pursuant to the license agreement, the Company acquired the right to sell "How to Manage a Small Law Firm" franchises, and the right to earn franchise fees, membership fees and other fees from franchisees. The Company is not obligated to pay the Licensor a license fee.

**EXHIBIT D**

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# HTM OPERATIONS MANUAL

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**EXHIBIT E**

**SAMPLE GENERAL RELEASE**

**HOW TO MANAGE A SMALL LAW FIRM FRANCHISOR, LLC**

**GRANT OF FRANCHISOR CONSENT AND FRANCHISEE RELEASE**

**HOW TO MANAGE A SMALL LAW FIRM FRANCHISOR, LLC** (“we,” “us,” or “our”) and the undersigned franchisee, \_\_\_\_\_ (“you” or “your”), currently are parties to a certain Franchise Agreement (the “Franchise Agreement”) dated \_\_\_\_\_, 20\_\_\_\_. You have asked us to take the following action or to agree to the following request: \_\_\_\_\_

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

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

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

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

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

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

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

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

Any general release provided for hereunder shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

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

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

*[SIGNATURE PAGE FOLLOWS]*

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

**HOW TO MANAGE A SMALL LAW FIRM FRANCHISOR, LLC**

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

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

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

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

**FRANCHISEE**

\_\_\_\_\_

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

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

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

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

**FRANCHISEE OWNER**

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

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

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

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

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

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

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

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

**EXHIBIT F**  
**FRANCHISEE LISTS**

**LIST OF CURRENT FRANCHISEES AS OF DECEMBER 12, 2024**

**None.**

**LIST OF FRANCHISE AGREEMENTS SIGNED BUT BUSINESSES NOT YET OPEN AS OF  
DECEMBER 12, 2024**

**None.**

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

**EXHIBIT G**  
**REPRESENTATIONS AND ACKNOWLEDGMENT STATEMENT**

## REPRESENTATIONS AND ACKNOWLEDGMENT STATEMENT

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

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

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

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

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

**Prohibited Parties Clause.** I acknowledge that Franchisor, its employees and its agents are subject to U.S. laws that prohibit or restrict (a) transactions with certain parties, and (b) the conduct of transactions involving certain foreign parties. These laws include, without limitation, U.S. Executive Order 13224, the U.S. Foreign Corrupt Practices Act, the Bank Secrecy Act, the International Money Laundering Abatement and Anti-terrorism Financing Act, the Export Administration Act, the Arms Export Control Act, the U.S. Patriot Act, and the International Economic Emergency Powers Act, and the regulations issued pursuant to these and other U.S. laws. As part of the express consideration for the purchase of the franchise, I represent that neither I nor any of my employees, agents, or representatives, nor any other person or entity associated with me, is now, or has been listed on:

1. the U.S. Treasury Department’s List of Specially Designated Nationals;
2. the U.S. Commerce Department’s Denied Persons List, Unverified List, Entity List, or General Orders;
3. the U.S. State Department’s Debarred List or Nonproliferation Sanctions; or
4. the Annex to U.S. Executive Order 13224.

I warrant that neither I nor any of my employees, agents, or representatives, nor any other person or entity associated with me, is now, or has been: (i) a person or entity who assists, sponsors, or supports terrorists or acts of terrorism; or (ii) is owned or controlled by terrorists or sponsors of terrorism. I warrant that I am now, and have been, in compliance with U.S. anti-money laundering and counter-

terrorism financing laws and regulations, and that any funds provided by me to Franchisor were legally obtained in compliance with these laws.

I further covenant that neither I nor any of my employees, agents, or representatives, nor any other person or entity associated with me, will, during the term of the Franchise Agreement, become a person or entity described above or otherwise become a target of any anti-terrorism law.

*[Signature Page to Follow]*

**FRANCHISEE:**

Sign here if you are taking the franchise as an  
**INDIVIDUAL(S)**

**(Note: use these blocks if you are an individual  
or a partnership but the partnership is not a  
separate legal entity)**

\_\_\_\_\_  
**Signature**  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

\_\_\_\_\_  
**Signature**  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

\_\_\_\_\_  
**Signature**  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

\_\_\_\_\_  
**Signature**  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

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

\_\_\_\_\_  
Print Name of Legal Entity

By: \_\_\_\_\_  
**Signature**

Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

## **EXHIBIT H**

### **STATE ADDENDA AND AGREEMENT RIDERS**

**ADDITIONAL DISCLOSURES FOR THE  
FRANCHISE DISCLOSURE DOCUMENT OF  
HOW TO MANAGE A SMALL LAW FIRM FRANCHISOR, LLC**

The following are additional disclosures for the Franchise Disclosure Document of How To Manage A Small Law Firm Franchisor, LLC required by various state franchise laws. Each provision of these additional disclosures will only apply to you if the applicable state franchise registration and disclosure law applies to you.

**FOR THE FOLLOWING STATES: CALIFORNIA, HAWAII, ILLINOIS, INDIANA, MARYLAND, MICHIGAN, MINNESOTA, NEW YORK, NORTH DAKOTA, RHODE ISLAND, SOUTH DAKOTA, VIRGINIA, WASHINGTON, OR WISCONSIN.**

No statement, questionnaire, or acknowledgment signed or agreed to by 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.

**CALIFORNIA**

**REGISTRATION OF THIS FRANCHISE DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT BY THE COMMISSIONER OF THE DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION.**

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

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

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

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

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

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

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

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

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

The Franchise Agreement requires you to sign a general release of claims upon renewal or transfer of the Franchise Agreement. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order thereunder is void. Section 31512 might void a waiver of your rights under the Franchise Investment Law (California Corporations Code Section 31000 – 31516). Business and Professions Code Section 20010 might void a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 – 20043).

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

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

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

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

The Franchise Agreement requires binding arbitration. The arbitration will be conducted at a suitable location chosen by the arbitrator which is within a 50 mile radius of our then current principal place of business (currently Coconut Grove, Florida) with the costs being borne as provided in the Franchise Agreement. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of the Franchise Agreement restricting venue to a forum outside the State of California.

Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code

Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of the Franchise Agreement restricting venue to a forum outside the State of California.

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

Under the Franchise Agreement, we reserve the right to require that franchisees comply with maximum and minimum prices it sets for goods and services. The Antitrust Law Section of the Office of the California Attorney General views maximum price agreements as per se violations of the California's Cartwright Act (Cal. Bus. and Prof. Code §§ 16700 to 16770).

8. 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.

## **HAWAII**

1. 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.

**2. 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 COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.**

**THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE 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.**

### **ILLINOIS**

1. 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.

2. The following paragraphs are added to the end of Item 17:

Except for the U.S. Federal Arbitration Act and other federal laws in the U.S., the laws of the State of Illinois will govern the Franchise Agreement.

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

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

Your rights upon termination and non-renewal of a Franchise Agreement are subject to sections 19 and 20 of the Illinois Franchise Disclosure Act.

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

### **MARYLAND**

1. 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.

2. The following is added to the Item 17(c) and Item 17(m):

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

3. The following is added to Item 17(h):

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

4. The following sentence is added to Item 17(v):

A franchisee may bring suit in Maryland for claims arising under the Maryland Franchise Registration Disclosure Law. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

## **MINNESOTA**

1. 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.

2. The Item 6 line item entitled “Franchisor Training Compensation” is deleted in its entirety.

3. The following is added at the end of the chart in Item 6:

The Item 6 line item entitled “Lost Revenue Damages” will not be enforced to the extent prohibited by applicable law.

4. The following is added at the end of the chart in Item 17:

With respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) of the Franchise Agreement and 180 days' notice for non-renewal of the Franchise Agreement.

Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400J prohibits us 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 Disclosure Document or Franchise Agreement can abrogate or reduce any of Franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or Franchisee's rights to any procedure, forum or remedies provided for by the laws of the jurisdiction.

Any release required as a condition of renewal or transfer/assignment will not apply to the extent prohibited by Governing Law with respect to claims arising under Minn. Rule 2860.4400D.

In compliance with Minnesota Statute 80C.17 Subd. 5, no action may be commenced pursuant to this section more than three years after the cause of action accrues.

NSF checks are governed by Minnesota Statutes 604.113, which puts a cap of \$30 on service charges.

You cannot consent to us obtaining injunctive relief. You may seek injunctive relief. See Minnesota Rule 2860.4400(J). Also, a court will determine if a bond is required.

## **NEW YORK**

1. 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.

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

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

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

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

Except as provide above, with regard to us, our parent, predecessor or affiliate, the persons identified in Item 2, or an affiliate offering franchises under our principal trademark:

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

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

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10 year period immediately preceding the application for

registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antitrust, or securities law; fraud; embezzlement; fraudulent conversion; misappropriation of property; or unfair or deceptive practices; or comparable allegations.

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

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

Neither we, our affiliate, predecessor, officers, or general partners or any other individual who will have management responsibility relating to the sale or operation of franchises offered by this Disclosure Document have, during the 10-year period immediately preceding the date of the Disclosure Document: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the U.S. Bankruptcy Code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after that officer or general partner of the franchisor held this position in the company or partnership.

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

We apply the initial franchise fee to defray our costs for site review and approval, sales, legal compliance, salary, and general administrative expenses and profits.

6. The following is added to Item 17(c) and Item 17(m):

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

7. The following is added to Item 17(d):

You may terminate the Franchise Agreement on any grounds available by law.

8. The following is added to Item 17(j):

However, to the extent required by applicable law, no assignment will be made except to an assignee who, in our good faith judgment, is willing and financially able to assume our obligations under the Franchise Agreement.

9. The following is added to Item 17(v) and 17(w):

However, the governing choice of law and choice of forum shall not be considered a waiver of any right conferred upon you by the provisions of Article 33 of the General Business Law of the State of New York.

## **NORTH DAKOTA**

1. 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.

2. The following is added to the end of Item 6:

Sections of the Franchise Disclosure Document requiring you to pay all costs and expense incurred by us in enforcing the agreement may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

3. The following is added to the end of 17(c) and 17(m):

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

4. The following is added to the end of Item 17(r):

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

5. The following is added to the end of Item 17(u):

To the extent required by the North Dakota Franchise Investment Law (unless such requirement is preempted by the Federal Arbitration Act), arbitration will be at a site to which we and you mutually agree.

6. The following is added to the end of Item 17(v):

Litigation must be exclusively in the state or federal court which is closest to our or, as applicable, our successor's or assign's then current principal place of business is located (currently, Coconut Grove, Florida), except that, subject to your arbitration obligation, and

to the extent required by North Dakota Franchise Investment Law you may bring an action in North Dakota.

7. The following is added to the end of Item 17(w)

Except as otherwise required by North Dakota law, the laws of the State of Florida will apply.

## **RHODE ISLAND**

1. 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.

2. The following language is added to the end of Item 17(v) and 17(w):

Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that “A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.”

## **SOUTH DAKOTA**

1. 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.

2. The following paragraph is added at the end of Items 5 and 7:

Pursuant to an order of the South Dakota Securities Regulation Office, we will deposit all initial fees and payments received from you due under the Franchise Agreement into an escrow/impound account with an escrow agent. These funds will remain impounded until we and you acknowledge that our obligations have been met and the franchisee is open for business.

## **VIRGINIA**

1. 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.

2. The following language is added to the end of Item 17(h):

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Franchise Agreement does not constitute “reasonable cause,” as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

## **WASHINGTON**

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

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

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

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

5. **Statute of Limitations and Waiver of Jury Trial.** Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

6. **Transfer Fees.** Transfer fees are collectable only to the extent that they reflect the franchisor’s reasonable estimated or actual costs in effecting a transfer.

7. **Termination by Franchisee.** The franchisee may terminate the franchise agreement under any grounds permitted under state law.

8. **Certain Buy-Back Provisions.** Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee’s business for any reason during the term of the franchise agreement without the franchisee’s consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

9. **Fair and Reasonable Pricing.** Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).

10. **Waiver of Exemplary & Punitive Damages.** RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages may be void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).

11. **Franchisor's Business Judgement.** Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.

12. **Indemnification.** Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.

13. **Attorneys' Fees.** If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.

14. **Noncompetition Covenants.** Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provision contained in the franchise agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.

15. **Nonsolicitation Agreements.** RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

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

17. **Prohibitions on Communicating with Regulators.** Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining

to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

18. **Advisory Regarding Franchisee Brokers.** Under the Washington Franchise Investment Protection Act, a “franchise broker” is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

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

**RIDER TO THE HOW TO MANAGE A SMALL LAW FIRM FRANCHISOR, LLC  
FRANCHISE AGREEMENT  
FOR USE IN ILLINOIS**

**THIS RIDER** is by and between **HOW TO MANAGE A SMALL LAW FIRM FRANCHISOR, LLC**, a Florida limited liability company with its principal business address at 2801 Florida Avenue, Unit 4, Coconut Grove, Florida 33133 ("Franchisor"), and \_\_\_\_\_, whose principal business address is \_\_\_\_\_ ("Franchisee").

1. **BACKGROUND.** Franchisor and Franchisee are parties to that certain Franchise Agreement dated \_\_\_\_\_ (the "Franchise Agreement") that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) any of the offering or sales activity relating to the Franchise Agreement occurred in Illinois and the Business that Franchisee will operate under the Franchise Agreement will be located in Illinois, and/or (b) Franchisee is domiciled in Illinois.

2. **ACKNOWLEDGMENT.** 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.

3. **ILLINOIS FRANCHISE DISCLOSURE ACT.** The following language is added to the end of the Franchise Agreement:

Except for the U.S. Federal Arbitration Act and other federal laws in the U.S., the laws of the State of Illinois will govern this Agreement.

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

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

Franchisee's rights upon termination and non-renewal of a franchise agreement are subject to sections 19 and 20 of the Illinois Franchise Disclosure Act.

**IN WITNESS WHEREOF**, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the effective date of the Franchise Agreement.

**HOW TO MANAGE A SMALL LAW FIRM  
FRANCHISOR, LLC**, a Florida limited liability  
company

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

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

**FRANCHISEE**

**(IF YOU ARE A CORPORATION,  
LIMITED LIABILITY COMPANY, OR  
PARTNERSHIP):**

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

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

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

**(IF YOU ARE AN INDIVIDUAL AND NOT  
A LEGAL ENTITY):**

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

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

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

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

**RIDER TO THE HOW TO MANAGE A SMALL LAW FIRM FRANCHISOR, LLC  
FRANCHISE AGREEMENT  
FOR USE IN MARYLAND**

**THIS RIDER** is by and between **HOW TO MANAGE A SMALL LAW FIRM FRANCHISOR, LLC**, a Florida limited liability company with its principal office at 2801 Florida Avenue, Unit 4, Coconut Grove, Florida 33133 ("Franchisor"), and \_\_\_\_\_, whose principal business address is \_\_\_\_\_ ("Franchisee").

1. **BACKGROUND.** Franchisor and Franchisee are parties to that certain Franchise Agreement dated \_\_\_\_\_ (the "Franchise Agreement") that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) Franchisee is domiciled in Maryland, and/or (b) the Business that Franchisee will operate under the Franchise Agreement will be located in Maryland.

2. **ACKNOWLEDGMENT.** 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.

3. **RELEASES.** The following is added to the end of Sections 3.C.(6) and 16.C.(3) of the Franchise Agreement:

Pursuant to COMAR 02.02.08.16L, any release required as a condition of renewal and/or assignment/transfer will not apply to claims arising under the Maryland Franchise Registration and Disclosure Law.

4. **INSOLVENCY.** The following is added to the end of Section 17.A.(15) of the Franchise Agreement:

; however, Franchisor and Franchisee acknowledge that certain aspects of this provision might not be enforceable under federal bankruptcy law (11 U.S.C. Sections 101 et seq.).

5. **ARBITRATION.** The following paragraph is added to the end of Section 20.B of the Franchise Agreement:

A Maryland franchise regulation states that it is an unfair or deceptive practice to require Franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.

6. **GOVERNING LAW.** The following paragraph is added to the end of Section 20.G of the Franchise Agreement:

Notwithstanding the foregoing, (1) any state law regulating the offer or sale of franchises or governing the relationship of a franchisor and its franchisee will not apply unless its

jurisdictional requirements are met independently without reference to this section, and (2) Maryland law will apply to claims arising under the Maryland Franchise Registration and Disclosure Law.

7. **CONSENT TO JURISDICTION.** The following language is added to the end of Section 20.H of the Franchise Agreement:

Notwithstanding the foregoing, Franchisee may bring an action in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

8. **LIMITATIONS OF CLAIMS AND CLASS ACTION BAR.** The following is added to the end of Section 20.J of the Franchise Agreement:

Notwithstanding the foregoing, Franchisee may bring any claims arising under the Maryland Franchise Registration and Disclosure Law within 3 years after Company grants Franchisee the franchise.

*[Signature Page to Follow]*

**IN WITNESS WHEREOF**, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the effective date of the Franchise Agreement.

**HOW TO MANAGE A SMALL LAW FIRM  
FRANCHISOR, LLC**, a Florida limited  
liability company

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

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

**FRANCHISEE**

**(IF YOU ARE A CORPORATION,  
LIMITED LIABILITY COMPANY, OR  
PARTNERSHIP):**

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

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

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

**(IF YOU ARE AN INDIVIDUAL AND NOT  
A LEGAL ENTITY):**

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

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

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

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

**RIDER TO THE HOW TO MANAGE A SMALL LAW FIRM FRANCHISOR, LLC  
FRANCHISE AGREEMENT  
FOR USE IN MINNESOTA**

**THIS RIDER** is by and between **HOW TO MANAGE A SMALL LAW FIRM FRANCHISOR, LLC**, a Florida limited liability company with its principal business address at 2801 Florida Avenue, Unit 4, Coconut Grove, Florida 33133 ("Franchisor"), and \_\_\_\_\_, whose principal business address is \_\_\_\_\_ ("Franchisee").

1. **BACKGROUND.** Franchisor and Franchisee are parties to that certain Franchise Agreement dated \_\_\_\_\_ (the "Franchise Agreement") that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) the Business that Franchisee will operate under the Franchise Agreement will be located in Minnesota; and/or (b) any of the offering or sales activity relating to the Franchise Agreement occurred in Minnesota.

2. **ACKNOWLEDGMENT.** 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.

3. **RELEASES.** The following is added to the end of Sections 3.C.(6) and 16.C.(3) of the Franchise Agreement:

Pursuant to COMAR 02.02.08.16L, any release required as a condition of renewal and/or assignment/transfer will not apply to claims arising under the Maryland Franchise Registration and Disclosure Law.

4. **HIRING PRACTICES.** Section 8.D of the Franchise Agreement is deleted in its entirety.

5. **LOST REVENUE DAMAGES.** The following language is added to the end of Section 18.H of the Franchise Agreement:

Franchisor and Franchisee acknowledge that certain parts of this provision might not be enforceable under Minn. Rule Part 2860.4400J. However, Franchisor and Franchisee agree to enforce the provision to the extent the law allows.

6. **INJUNCTIVE RELIEF.** The following is added to the end of Section 20.E of the Franchise Agreement:

Notwithstanding the foregoing, a court will determine if a bond is required.

7. **LIMITATIONS OF CLAIMS.** The following is added to the end of the first paragraph of Section 20.J of the Franchise Agreement:

; provided, however, that Minnesota law provides that no action may be commenced under Minn. Stat. Sec. 80C.17 more than 3 years after the cause of action accrues.

8. **MINNESOTA LAW.** The following language is added to the end of the Franchise Agreement:

Notwithstanding anything to the contrary contained in the Franchise Agreement, Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400J prohibit Franchisor from requiring Franchisee to waive Franchisee's rights to a jury trial or to waive Franchisee's rights to any procedure, forum or remedies provided for by the laws of the jurisdiction, or to consent to liquidated damages, termination penalties or judgment notes.

Franchisor will protect Franchisee's right to use the trademarks, service marks, trade names, logos or other commercial symbols or indemnify 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 Franchisee's right to use the trademarks. Refer to Minnesota Statutes, Section 80C.12, Subd. 1(g).

Minnesota Rules 2860.4400(D) prohibits Franchisor from requiring Franchisee to assent to a general release.

Franchisee cannot consent to Franchisor obtaining injunctive relief. Franchisor may seek injunctive relief. See Minn. Rules 2860.440DJ. 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.

NSF checks are governed by Minnesota Statutes 60A.113, which puts a cap of \$30 on service charges.

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

*[Signature Page to Follow]*

**IN WITNESS WHEREOF**, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the effective date of the Franchise Agreement.

**HOW TO MANAGE A SMALL LAW FIRM  
FRANCHISOR, LLC**, a Florida limited  
liability company

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

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

**FRANCHISEE**

**(IF YOU ARE A CORPORATION,  
LIMITED LIABILITY COMPANY, OR  
PARTNERSHIP):**

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

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

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

**(IF YOU ARE AN INDIVIDUAL AND NOT  
A LEGAL ENTITY):**

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

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

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

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

**RIDER TO THE  
HOW TO MANAGE A SMALL LAW FIRM FRANCHISOR, LLC  
FRANCHISE AGREEMENT FOR USE IN THE  
STATE OF NEW YORK**

**THIS RIDER** is by and between **HOW TO MANAGE A SMALL LAW FIRM FRANCHISOR, LLC**, a Florida limited liability company with its principal business address at 2801 Florida Avenue, Unit 4, Coconut Grove, Florida 33133 ("Franchisor"), and \_\_\_\_\_, whose principal business address is \_\_\_\_\_ ("Franchisee").

1. **BACKGROUND.** Franchisor and Franchisee are parties to that certain Franchise Agreement dated \_\_\_\_\_, (the "Franchise Agreement") that has been signed concurrently with this Rider. This Rider is being signed because (a) Franchisee is domiciled in the State of New York and the Business that Franchisee will operate under the Franchise Agreement will be located in New York, and/or (b) any of the offering or sales activity relating to the Franchise Agreement occurred in New York.

2. **TRANSFER BY FRANCHISOR.** The following language is added to the end of Section 16.A of the Franchise Agreement:

However, to the extent required by applicable law, no transfer will be made except to an assignee who, in Franchisor's good faith judgment, is willing and able to assume Franchisor's obligations under this Agreement.

3. **RELEASES.** The following is added to the end of Sections 3.C.(6) and 16.C.(3) of the Franchise Agreement:

Notwithstanding the foregoing all rights enjoyed by Franchisee and any causes of action arising in Franchisee's favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force to the extent required by the non-waiver provisions of GBL Sections 687.4 and 687.5, as amended.

4. **TERMINATION OF AGREEMENT BY FRANCHISEE.** The following language is added to the end of Section 17.B of the Franchise Agreement:

Franchisee also may terminate this Agreement on any grounds available by law under the provisions of Article 33 of the General Business Law of the State of New York.

5. **GOVERNING LAW; CONSENT TO JURISDICTION.** The following statement is added to the end of Sections 20.J and 20.H of the Franchise Agreement:

**THIS SECTION SHALL NOT BE CONSIDERED A WAIVER OF ANY RIGHT CONFERRED UPON FRANCHISEE BY THE PROVISIONS OF ARTICLE 33 OF THE NEW YORK STATE GENERAL BUSINESS LAW, AS AMENDED, AND THE REGULATIONS ISSUED THEREUNDER.**

**IN WITNESS WHEREOF**, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the effective date of the Franchise Agreement.

**HOW TO MANAGE A SMALL LAW FIRM  
FRANCHISOR, LLC**, a Florida limited  
liability company

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

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

**FRANCHISEE**

**(IF YOU ARE A CORPORATION,  
LIMITED LIABILITY COMPANY, OR  
PARTNERSHIP):**

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

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

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

**(IF YOU ARE AN INDIVIDUAL AND NOT  
A LEGAL ENTITY):**

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

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

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

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

**RIDER TO THE HOW TO MANAGE A SMALL LAW FIRM FRANCHISOR, LLC  
FRANCHISE AGREEMENT  
FOR USE IN NORTH DAKOTA**

**THIS RIDER** is by and between **HOW TO MANAGE A SMALL LAW FIRM FRANCHISOR, LLC**, a Florida limited liability company with its principal business address at 2801 Florida Avenue, Unit 4, Coconut Grove, Florida 33133 ("Franchisor"), and \_\_\_\_\_, whose principal business address is \_\_\_\_\_ ("Franchisee").

1. **BACKGROUND.** Franchisor and Franchisee are parties to that certain Franchise Agreement dated \_\_\_\_\_ (the "Franchise Agreement") that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) Franchisee is a resident of North Dakota and the Business that Franchisee will operate under the Franchise Agreement will be located or operated in North Dakota; and/or (b) any of the offering or sales activity relating to the Franchise Agreement occurred in North Dakota.

2. **RELEASES.** The following is added to the end of Sections 3.C.(6) and 16.C.(3) of the Franchise Agreement:

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

3. **POST-TERM COVENANT NOT TO COMPETE.** The following is added to the end of Section 18.E of the Franchise Agreement:

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

4. **LOST REVENUE DAMAGES.** The following language is added to the end of Section 18.H of the Franchise Agreement:

Franchisor and Franchisee acknowledge that certain parts of this provision might not be enforceable under the North Dakota Franchise Investment Law. However, Franchisor and Franchisee agree to enforce the provision to the extent the law allows.

5. **ARBITRATION.** The following language is added to the end of Section 20.B:

Notwithstanding the foregoing, to the extent otherwise required by the North Dakota Franchise Investment Law (unless such a requirement is preempted by the Federal Arbitration Act), arbitration shall be held at a site to which Franchisor and Franchisee mutually agree.

6. **GOVERNING LAW.** Section 20.G of the Franchise Agreement is deleted and replaced with the following:

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

7. **CONSENT TO JURISDICTION.** The following is added to the end of Section 20.H of the Franchise Agreement:

Notwithstanding the foregoing, to the extent required by the North Dakota Franchise Investment Law, and subject to Franchisee's arbitration obligations, Franchisee may bring an action in North Dakota for claims arising under the North Dakota Franchise Investment Law.

8. **LIMITATIONS OF CLAIMS AND CLASS ACTION BAR.** The following is added to the end of Section 20.J of the Franchise Agreement:

**THE STATUTES OF LIMITATIONS UNDER NORTH DAKOTA LAW APPLIES WITH RESPECT TO CLAIMS ARISING UNDER THE NORTH DAKOTA FRANCHISE INVESTMENT LAW.**

9. **WAIVER OF PUNITIVE DAMAGES.** To the extent required by the North Dakota Franchise Investment Law, Section 20.K of the Franchise Agreement is deleted.

*[Signature Page to Follow]*

**IN WITNESS WHEREOF**, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the effective date of the Franchise Agreement.

**HOW TO MANAGE A SMALL LAW FIRM  
FRANCHISOR, LLC**, a Florida limited  
liability company

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

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

**FRANCHISEE**

**(IF YOU ARE A CORPORATION,  
LIMITED LIABILITY COMPANY, OR  
PARTNERSHIP):**

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

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

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

**(IF YOU ARE AN INDIVIDUAL AND NOT  
A LEGAL ENTITY):**

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

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

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

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

**RIDER TO THE HOW TO MANAGE A SMALL LAW FIRM FRANCHISOR, LLC  
FRANCHISE AGREEMENT  
FOR USE IN RHODE ISLAND**

**THIS RIDER** is by and between **HOW TO MANAGE A SMALL LAW FIRM FRANCHISOR, LLC**, a Florida limited liability company with its principal business address at 2801 Florida Avenue, Unit 4, Coconut Grove, Florida 33133 (“Franchisor”), and \_\_\_\_\_, whose principal business address is \_\_\_\_\_ (“Franchisee”).

1. **BACKGROUND.** Franchisor and Franchisee are parties to that certain Franchise Agreement dated \_\_\_\_\_ (the "Franchise Agreement") that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) Franchisee is domiciled in Rhode Island and the Business that Franchisee will operate under the Franchise Agreement will be located in Rhode Island; and/or (b) any of the offering or sales activity relating to the Franchise Agreement occurred in Rhode Island.

2. **GOVERNING LAW/CONSENT TO JURISDICTION.** The following language is added to Section 20.G and 20.H of the Franchise Agreement:

Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that “a provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this act.”

*[Signature Page to Follow]*

**IN WITNESS WHEREOF**, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the effective date of the Franchise Agreement.

**HOW TO MANAGE A SMALL LAW FIRM  
FRANCHISOR, LLC**, a Florida limited  
liability company

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

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

**FRANCHISEE**

**(IF YOU ARE A CORPORATION,  
LIMITED LIABILITY COMPANY, OR  
PARTNERSHIP):**

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

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

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

**(IF YOU ARE AN INDIVIDUAL AND NOT  
A LEGAL ENTITY):**

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

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

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

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

**RIDER TO THE HOW TO MANAGE A SMALL LAW FIRM FRANCHISOR, LLC  
FRANCHISE AGREEMENT  
FOR USE IN SOUTH DAKOTA**

**THIS RIDER** is by and between **HOW TO MANAGE A SMALL LAW FIRM FRANCHISOR, LLC**, a Florida limited liability company with its principal business address at 2801 Florida Avenue, Unit 4, Coconut Grove, Florida 33133 (“Franchisor”), and \_\_\_\_\_, whose principal business address is \_\_\_\_\_ (“Franchisee”).

1. **BACKGROUND.** Franchisor and Franchisee are parties to that certain Franchise Agreement dated \_\_\_\_\_ (the "Franchise Agreement") that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) Franchisee is domiciled in South Dakota and the Business that Franchisee will operate under the Franchise Agreement will be located in South Dakota; and/or (b) any of the offering or sales activity relating to the Franchise Agreement occurred in South Dakota.

2. **INITIAL FRANCHISE FEE.** The following language is added to the end of Section 6.A of the Franchise Agreement:

Pursuant to an order of the South Dakota Securities Regulation Office, Franchisor will deposit all initial fees and payments received from Franchisee due under this Agreement into an escrow/impound account with an escrow agent. These funds will remain impounded until Franchisor and Franchisee acknowledge that Franchisor’s obligations have been met and Franchisee’s Business is open for business.

*[Signature Page to Follow]*

**IN WITNESS WHEREOF**, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the effective date of the Franchise Agreement.

**HOW TO MANAGE A SMALL LAW FIRM  
FRANCHISOR, LLC**, a Florida limited  
liability company

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

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

**FRANCHISEE**

**(IF YOU ARE A CORPORATION,  
LIMITED LIABILITY COMPANY, OR  
PARTNERSHIP):**

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

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

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

**(IF YOU ARE AN INDIVIDUAL AND NOT  
A LEGAL ENTITY):**

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

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

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

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

**RIDER TO THE HOW TO MANAGE A SMALL LAW FIRM FRANCHISOR, LLC  
FRANCHISE AGREEMENT AND RELATED AGREEMENTS FOR USE IN WASHINGTON**

**THIS RIDER** is by and between **HOW TO MANAGE A SMALL LAW FIRM FRANCHISOR, LLC**, a Florida limited liability company with its principal business address at 2801 Florida Avenue, Unit 4, Coconut Grove, Florida 33133 (“Franchisor”), and \_\_\_\_\_, whose principal business address is \_\_\_\_\_ (“Franchisee”).

**BACKGROUND.** Franchisor and Franchisee are parties to that certain Franchise Agreement dated \_\_\_\_\_ (the “Franchise Agreement”) that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) Franchisee is domiciled in the State of Washington; and/or (b) the Business that Franchisee will operate under the Franchise Agreement will be located in Washington; and/or (c) Franchisee accepted the offer for the sale of the franchise in Washington.

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

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

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

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

5. **Statute of Limitations and Waiver of Jury Trial.** Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

6. **Transfer Fees.** Transfer fees are collectable only to the extent that they reflect the franchisor’s reasonable estimated or actual costs in effecting a transfer.

7. **Termination by Franchisee.** The franchisee may terminate the franchise agreement under any grounds permitted under state law.

8. **Certain Buy-Back Provisions.** Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

9. **Fair and Reasonable Pricing.** Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).

10. **Waiver of Exemplary & Punitive Damages.** RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages may be void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).

11. **Franchisor's Business Judgement.** Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.

12. **Indemnification.** Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.

13. **Attorneys' Fees.** If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.

14. **Noncompetition Covenants.** Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provision contained in the franchise agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.

15. **Nonsolicitation Agreements.** RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

16. **Questionnaires and Acknowledgements.** No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the

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

17. **Prohibitions on Communicating with Regulators.** Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

18. **Advisory Regarding Franchisee Brokers.** Under the Washington Franchise Investment Protection Act, a “franchise broker” is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

*[Signature Page to Follow]*

**IN WITNESS WHEREOF**, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the effective date of the Franchise Agreement.

**HOW TO MANAGE A SMALL LAW FIRM  
FRANCHISOR, LLC**, a Florida limited  
liability company

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

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

**FRANCHISEE**

**(IF YOU ARE A CORPORATION,  
LIMITED LIABILITY COMPANY, OR  
PARTNERSHIP):**

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

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

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

**(IF YOU ARE AN INDIVIDUAL AND NOT  
A LEGAL ENTITY):**

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

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

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

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

## **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       | December 19, 2024, as amended _____        |
| Illinois     | Pending                                    |
| Indiana      | December 12, 2024, as amended May 12, 2025 |
| Maryland     | Pending                                    |
| Michigan     | December 16, 2024, as amended May 12, 2025 |
| Minnesota    | Pending                                    |
| New York     | March 5, 2025, as amended _____, 2025      |
| North Dakota | Pending                                    |
| Rhode Island | Pending                                    |
| South Dakota | January 11, 2025, as amended May 12, 2025  |
| Virginia     | February 25, 2025, as amended _____, 2025  |
| Washington   | Pending                                    |
| Wisconsin    | December 12, 2024, as amended May 12, 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.

## **EXHIBIT I**

### **RECEIPTS**

**RECEIPT  
(OUR COPY)**

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If How To Manage A Small Law Firm Franchisor, 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, How To Manage A Small Law Firm Franchisor, LLC or an affiliate in connection with the proposed franchise sale, or sooner if required by applicable state law. Under Iowa law, we must give you this disclosure document at the earlier of our 1<sup>st</sup> personal meeting or 14 calendar days before you sign an agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale. Under Michigan law, we must give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first. Under New York law, we must provide this Disclosure Document at the earlier of the 1st personal meeting or 10 business days before you sign a binding agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale.

If How To Manage A Small Law Firm Franchisor, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified on Exhibit B.

The franchisor is How To Manage A Small Law Firm Franchisor, LLC, 2801 Florida Avenue, Unit 4, Coconut Grove, Florida 33133. Tel: 1-833-466-2624. The franchise seller for this offering is:

|                                                                                                                                                                         |                                                                                                                                                                         |                                                                                                                       |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|
| <input type="checkbox"/> RJon Robins<br>How To Manage A Small Law Firm Franchisor, LLC<br>2801 Florida Avenue, Unit 4<br>Coconut Grove, Florida 33133<br>1-833-466-2624 | <input type="checkbox"/> Tania Music<br>How To Manage A Small Law Firm Franchisor, LLC<br>2801 Florida Avenue, Unit 4<br>Coconut Grove, Florida 33133<br>1-833-466-2624 | <input type="checkbox"/> Name of Franchise Seller: _____<br>Principal Business Address: _____<br>Telephone No.: _____ |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|

Issuance Date: December 12, 2024, as amended May 12, 2025

See Exhibit B for How To Manage A Small Law Firm Franchisor, LLC's registered agents authorized to receive service of process.

I have received a disclosure document dated December 12, 2024, as amended May 12, 2025, that included the following Exhibits:

|                                                                    |                                                            |
|--------------------------------------------------------------------|------------------------------------------------------------|
| Exhibit A-1   Training Agreement                                   | Exhibit E -   Form of General Release                      |
| Exhibit A-2   Franchise Agreement                                  | Exhibit F -   Franchisee Lists                             |
| Exhibit B -   State Administrators / Agents for Service of Process | Exhibit G -   Representations and Acknowledgment Statement |
| Exhibit C -   Financial Statements                                 | Exhibit H -   State Addenda and Agreement Riders           |
| Exhibit D -   Table of Contents of Operations Manual               | Exhibit I -   Receipts                                     |

|               |                    |                       |
|---------------|--------------------|-----------------------|
| _____<br>Date | _____<br>Signature | _____<br>Printed Name |
|---------------|--------------------|-----------------------|

|               |                    |                       |
|---------------|--------------------|-----------------------|
| _____<br>Date | _____<br>Signature | _____<br>Printed Name |
|---------------|--------------------|-----------------------|

Please sign this copy of the receipt, print the date on which you received this disclosure document, and return it, by mail or email, to How To Manage A Small Law Firm Franchisor, LLC, 2801 Florida Avenue, Unit 4, Coconut Grove, Florida 33133, email: [Franchise@HowToManage.com](mailto:Franchise@HowToManage.com).

**RECEIPT  
(YOUR COPY)**

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If How To Manage A Small Law Firm Franchisor, 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, How To Manage A Small Law Firm Franchisor, LLC or an affiliate in connection with the proposed franchise sale, or sooner if required by applicable state law. Under Iowa law, we must give you this disclosure document at the earlier of our 1<sup>st</sup> personal meeting or 14 calendar days before you sign an agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale. Under Michigan law, we must give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first. Under New York law, we must provide this Disclosure Document at the earlier of the 1st personal meeting or 10 business days before you sign a binding agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale.

If How To Manage A Small Law Firm Franchisor, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified on Exhibit B.

The franchisor is How To Manage A Small Law Firm Franchisor, LLC, 2801 Florida Avenue, Unit 4, Coconut Grove, Florida 33133. Tel: 1-833-466-2624. The franchise seller for this offering is:

☐ RJon Robins  
How To Manage A Small Law Firm  
Franchisor, LLC  
2801 Florida Avenue, Unit 4  
Coconut Grove, Florida 33133  
1-833-466-2624

☐ Tania Music  
How To Manage A Small Law Firm  
Franchisor, LLC  
2801 Florida Avenue, Unit 4  
Coconut Grove, Florida 33133  
1-833-466-2624

☐ Name of Franchise Seller: \_\_\_\_\_  
Principal Business Address: \_\_\_\_\_  
\_\_\_\_\_  
Telephone No.: \_\_\_\_\_

Issuance Date: December 12, 2024, as amended May 12, 2025

See Exhibit B for How To Manage A Small Law Firm Franchisor, LLC's registered agents authorized to receive service of process.

I have received a disclosure document dated December 12, 2024, as amended May 12, 2025 that included the following Exhibits:

|             |                                                      |             |                                              |
|-------------|------------------------------------------------------|-------------|----------------------------------------------|
| Exhibit A-1 | Training Agreement                                   | Exhibit E - | Form of General Release                      |
| Exhibit A-2 | Franchise Agreement                                  | Exhibit F - | Franchisee Lists                             |
| Exhibit B - | State Administrators / Agents for Service of Process | Exhibit G - | Representations and Acknowledgment Statement |
| Exhibit C - | Financial Statements                                 | Exhibit H - | State Addenda and Agreement Riders           |
| Exhibit D - | Table of Contents of Operations Manual               | Exhibit I - | Receipts                                     |

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

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