

DISCLOSURE DOCUMENT

OF



FULLY PROMOTED

Branded Products & Marketing Services

Franchise Disclosure Document

EmbroidMe.com, Inc.
A Florida Corporation
d/b/a Fully Promoted
2121 Vista Parkway
West Palm Beach, FL 33411
(561) 640-7367
www.fullypromoted.com
jloch@fullypromoted.com



The franchisee will own and operate a Fully Promoted™ franchise which operates a full service retail branded products and marketing services business.

The total investment necessary to begin operation of a Fully Promoted store is from ~~\$92,499~~\$92,776 to ~~\$237,885~~\$248,985. These amounts include \$49,500 that must be paid to the franchisor if you lease your equipment to \$153,395 that must be paid to the franchisor if you purchase your equipment, and \$0 to ~~\$23,500~~ that must be paid to the franchisor's affiliate.

The 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 to you. To discuss the availability of disclosures in different formats, contact a Franchise Development Specialist at 2121 Vista Parkway, West Palm Beach, FL 33411, (888) 816-6749.

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 accountant.

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising such as "A Consumer's Guide to Buying a Franchise," which can help you understand how to use this disclosure document is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, D.C. 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

Issue Date: ~~March 24, 2016, as amended June 27, 2016 and January 16, 2017~~ March 16, 2017

FP – MULTISTATE 2017 – ~~AMENDED~~

STATE COVER PAGE

Your state may have a franchise law that requires a franchisor to register or file with a state franchise administrator before offering or selling in your state. REGISTRATION OF A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.

Call the state franchise administrator listed in Exhibit G for information about the franchisor or about franchising in your state.

MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES. YOU MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE YOUR BUSINESS. BEFORE YOU BUY, CONSIDER WHAT RIGHTS YOU HAVE TO RENEW YOUR FRANCHISE, IF ANY, AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT IN ORDER TO RENEW.

Please consider the following RISK FACTORS before you buy this franchise:

1. THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION OR LITIGATION ONLY IN FLORIDA. OUT-OF-STATE ARBITRATION OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE OR TO LITIGATE WITH US IN FLORIDA THAN IN YOUR OWN STATE.
2. THE FRANCHISE AGREEMENT STATES THAT FLORIDA LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
3. IF YOU ARE MARRIED AND YOU ELECT TO LEASE THE EQUIPMENT REQUIRED TO OPERATE THIS FRANCHISED BUSINESS, YOUR SPOUSE WILL BE REQUIRED TO GUARANTEE THE LEASE THEREBY PLACING PERSONAL AND MARITAL ASSETS AT RISK. THE FRANCHISEE'S SPOUSE MUST SIGN A PERSONAL GUARANTY MAKING SUCH SPOUSE JOINTLY AND SEVERALLY LIABLE FOR THE OBLIGATIONS UNDER THE FRANCHISE EQUIPMENT LEASE AGREEMENT WHICH ALSO PLACES THE SPOUSE'S PERSONAL ASSETS AT RISK. YOU MAY WANT TO CONSIDER THIS WHEN MAKING A DECISION TO PURCHASE THIS FRANCHISE OPPORTUNITY.

~~3.4.~~ THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

We use the services of one or more FRANCHISE BROKERS or referral sources to assist us in selling our franchise. A franchise broker or referral source represents us, not you. We pay this person a fee for selling our franchise or referring you to us. You should be sure to do your own investigation of the franchise.

Effective Date: See State Effective Dates on next page

STATE EFFECTIVE DATES

The following states 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 Franchise Disclosure Document is registered, on file, or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates:

California	Pending
Hawaii	Pending
<u>Illinois</u>	<u>Pending</u>
Indiana	April 11, 2016 <u>Pending</u>
Michigan	March 24, 2016 <u>Pending</u>
Minnesota	Pending
New York	Pending
North Dakota	Pending
Rhode Island	Pending
South Dakota	March 24, 2016 <u>Pending</u>
<u>Virginia</u>	<u>Pending</u>
Wisconsin	Pending

~~Illinois—see separate disclosure document~~

Maryland - see separate disclosure document

~~Virginia—see separate disclosure document~~

Washington - see separate disclosure document

**THE FOLLOWING APPLY TO
TRANSACTIONS GOVERNED BY
THE MICHIGAN FRANCHISE INVESTMENT LAW ONLY**

The state of Michigan prohibits certain unfair provisions that are sometimes in franchise documents. If any of the following provisions are in these franchise documents, the provisions are void and cannot be enforced against you.

Each of the following provisions is void and unenforceable if contained in any documents relating to a franchise:

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

- (ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.
- (iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.
- (iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

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

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

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

Any questions regarding this notice should be directed to:

State of Michigan
Department of Attorney General
CONSUMER PROTECTION DIVISION
Attention: Franchise Section
G. Mennen Williams Building, First Floor
525 West Ottawa Street
Lansing, Michigan 48933
Telephone Number (517) 373-7117

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ATTACHED EXHIBITS:

Exhibit A	Franchise Agreement with Schedules and State Franchise Agreement Addenda
Exhibit B	VFS Equipment Lease
Exhibit C	Deposit Receipt
Exhibit D	Financial Statements
Exhibit E	List of Franchisees
Exhibit F	Table of Contents for Operating Manual
Exhibit G	Agents for Service of Process/State Administrators
Exhibit H	General Release Agreement
Exhibit I	List of Terminated, Cancelled or not Renewed Franchisees
Exhibit J	Compliance Certificate
Exhibit K	Nondisclosure and Non-Competition Agreement
Exhibit L	Disclosure Document Addenda
Exhibit M	Disclosure Document Receipt

ITEM 1

THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

To simplify the language of this Disclosure Document “Company,” “us” or “we” refers to **EmbroidMe.com, Inc.**, (the “Franchisor”). “You” means the person, including any owner, partner or corporation who is looking at our franchise.

The Company is a corporation~~was~~ incorporated in February 2000 in the State of Florida. Our principal place of business is 2121 Vista Parkway, West Palm Beach, Florida 33411. We do business under our corporate name, EmbroidMe.com, Inc., and our trade names “Fully Promoted” and “EmbroidMe.” We do not have any predecessors or a parent entity. Our agents for service of process are listed in Exhibit G to this Disclosure Document.

COMPANY HISTORY

In April 2000, we opened the first EmbroidMe retail store as a company store in West Palm Beach, Florida. In September 2000, we began franchising EmbroidMe businesses and today have ~~270~~²⁷⁵ franchise locations in ~~44~~¹⁰ countries. In January 2017, we modified our principal trademark for the retail stores from “EmbroidMe” to “Fully Promoted,” although Fully Promoted stores will also continue to use our EmbroidMe trademark in their store operations. Our corporate name has remained the same and is still “EmbroidMe.com, Inc.”

We now grant franchises to qualified persons for the right to own and operate a Fully Promoted business (the “Business”) under the terms of our standard Franchise Agreement (a copy is attached as Exhibit A).

We sold our corporately owned store as a franchise in August 2001. We do not have any company owned or operated units. We have not previously offered franchises in any other line of business.

DESCRIPTION OF A FULLY PROMOTED BUSINESS

The Company offers to you, our customer, the right to own and operate a full service Fully Promoted Store. In your Store you will use our trademark, trade name, proven and sophisticated procedures and trade secrets. You will service retail and business customers by providing them with online marketing services, lead generation services, printed marketing materials, embroidered, screen-printed apparel and/or advertising and promotional merchandise and complete marketing campaign management for a variety of printed marketing materials. Embroidered, screen-printed apparel and advertising and promotional merchandise will include specific items such as golf/polo shirts, caps, jackets, denim, uniforms, logo reproduction, outerwear, towels, t-shirts, bags, aprons, photographic gifts, pens, mouse pads, cups/mugs and magnetic business cards. That’s quite an expansive list of product and service offerings! Your competitors include independent marketing and advertising businesses and embroidery shops, franchisees of other marketing, advertising and embroidery businesses, certain catalog companies that embroider, uniform companies, and to a lesser degree, dry cleaners and alteration shops. Your customer base will primarily be small to medium sized businesses along with corporations. As to your embroidered apparel and logo merchandise, many of your customers will be businesses who have adopted the national trend toward corporate casual attire and logo wear and merchandise. The embroidery business has grown in recent years due to the trend towards casual attire and logo merchandise.

Many states and/or municipalities regulate embroidery and the retail sale of apparel. The State of California requires an embroidery shop to register as a garment manufacturer and pay an annual fee of \$750. There also will be other local, state and federal laws applicable to your Fully Promoted business. We encourage you to make further inquiries and seek legal counsel about these laws.

AFFILIATES AND SUBSIDIARIES

The Company is a member of the United Franchise Group, an affiliated group of companies which are located at 2121 Vista Parkway, West Palm Beach, Florida 33411, whose franchising companies are:

1. Sign*A*Rama Inc., (“Signarama”) the world’s largest franchisor of retail sign shops, that has been in franchising since 1987 and has ~~741~~670 locations in 28 countries;
2. Transworld Business Advisors, LLC, (“TBA”) a franchisor of business brokerage agencies that also provide franchise referral lead services that has been franchising since December 2010 and currently has agencies servicing ~~184~~213 territories in ~~87~~ countries;
3. Greener Energy, LLC d/b/a SuperGreen Solutions (“SuperGreen”), a franchisor of ~~retail stores~~businesses ~~for offering~~ energy efficient products and services that has been in franchising since April 2012 and has ~~284~~0 stores in ~~89~~ countries;
4. Experimac Franchising, LLC, (“Experimac”) a franchisor of retail computer stores that buy, sell and repair pre-owned electronics that has been in franchising since October 2014 and has ~~196~~4 locations in 4 countries;
5. J.S. Subs, LLC d/b/a Jon Smith Subs (“JSS”), a franchisor of restaurants offering made-to-order submarine sandwiches, grilled sandwiches, salads and other related foods and beverages that has been franchising since February 2016 and currently has ~~69~~ locations; and
6. Venture X Franchising, LLC, (“VTX”) a franchisor of co-working, collaborative office facilities, that has been franchising since March 2016 and currently has 1 location.

The Signarama, TBA, SuperGreen, Experimac, JSS and VTX franchises are different businesses than the Fully Promoted business described in this Disclosure Document.

Our affiliate, Franchise Real Estate, Inc. (“Franchise Real Estate”) is a Florida real estate services ~~company~~corporation which was incorporated in the State of Florida in October 2002. Franchise Real Estate’s principal business address is located at 2121 Vista Parkway, West Palm Beach, Florida 33411. Franchise Real Estate offers real estate services and assistance to our franchisees including, retail site selection, lease negotiation, construction management, store design and layout, and assistance with obtaining building renovation costs.

We have not and none of these affiliates has offered franchises in any other line of business. None of these affiliates operates a business which is similar in nature to a Fully Promoted Store.

ITEM 2

BUSINESS EXPERIENCE

Raymond W. Titus – Chief Executive Officer and Director – West Palm Beach, FL

- Chairman of the Board for the Company since January 2008. President of the Company from February 2000 to December 2007.
- Chief Executive Officer of VTX since September 2015; JSS since April 2015 and Experimac since June 2013.
- Chief Executive Officer of Signarama since January 2008. President of Signarama from January 1995 to December 2007.
- Chief Executive Officer of Plan Ahead Events, Inc. (“PAE”), a franchisor of an event planning business, West Palm Beach, FL from April 2012 to February 2015. President of PAE from January to April 2012.
- Manager of TBA since October 2010.
- Chief Executive Officer of SuperGreen since October 2010.

Ellen Titus Lee – Secretary/Treasurer and Director – West Palm Beach, FL

- Secretary/Treasurer of the Company since its founding in February 2000.
- Director of Retail Operations for the Company from February 2000 to December 2006.

David Baxter – Chief Operating Officer – West Palm Beach, FL

- Chief Operating Officer of the Company, Signarama, TBA and SuperGreen since June 2012; VTX since September 2015; JSS since April 2015 and Experimac since June 2013.
- Chief Operating Officer of PAE from June 2012 to February 2015.
- Vice President of Operations for Accurate Septic Services, Fort Pierce, FL from October 2006 to June 2012.

Todd Newton – Chief Financial Officer – West Palm Beach, FL

- Chief Financial Officer of the Company and Signarama since January 2007; VTX since September 2015; JSS since April 2015; Experimac since June 2013; TBA and SuperGreen since October 2010.
- Chief Financial Officer of PAE from January 2007 to February 2015.

Joseph Loch – President – West Palm Beach, FL

- President of the Company since September 2016.
- Vice President of Hickory Farms, a specialty food gift retailer in Toledo, OH from May 2009 to August 2016.

James Tatem – Senior Executive – West Palm Beach, FL

- Senior Executive of the Company since June 2016.
- Senior Executive of Signarama, Experimac, SuperGreen, JSS, TBA and VTX since January 2017.
- President of Signarama since January 2008.
- International Director and Director of Training for Signarama from December 2005 to December 2007.

Walter Seltzer – Senior Executive – West Palm Beach, FL

- Senior Executive of the Company, Signarama, TBA, Experimac, SuperGreen, JSS and VTX since January 2017.
- President of JSS from April 2015 to December 2016.
- President of Accurate Franchising, Inc. from March 2012 to June, 2016.
- Vice President of International for the Company and Signarama from January 2010 to March 2012.
- Director of Corporate Services for the Company and Signarama from January 2007 to February 2016.

Tipton Shonkwiler – International Director – West Palm Beach, FL

- International Director of the Company since December 2015.
- International Director of Signarama, Experimac, TBA, SuperGreen, VTX and JSS since December 2015.
- Executive Vice President of SuperGreen since April 2015.
- President of PAE from April 2012 to February 2015 and Brand Director of PAE from July 2008 to April 2012.

James Butler – Director of Sales – West Palm Beach, FL

- Director of Sales for the Company and Signarama since December 2013; Regional Vice President of the Company from January 2010 to December 2010 and from January 2008 to December 2008; Signarama from December 1994 to December 2010.
- Director of Sales for VTX and JSS since December 2015; TBA since February 2015; Experimac since July 2014; SuperGreen since March 2012.
- Regional Vice President of TBA from January 2011 to February 2012.
- Regional Vice President of PAE from January 2008 to December 2010.

Nick Bruckner, Sr. – Senior Vice President of Sales – West Palm Beach, FL

- Sr. Vice President of Sales for the Company since October 2004.
- Sr. Vice President of Sales for VTX and JSS since December 2015; TBA and SuperGreen since February 2015; Experimac since July 2014; Signarama since January 2000; PAE from January 2008 to February 2015.

Robert Smoot – Vice President of Operations – West Palm Beach, FL

- Vice President of Operations of the Company since March 2017.
- Director of Operations for JL Closets, a customizable closets and storage solutions company in Boca Raton, FL from November 2015 to March 2017.
- Vice President of Operations for Bio Bubble Pets, an aquarium and terrarium store in Boca Raton, FL from April 2012 to June 2015.
- Business Consultant for Florida Gulf Coast University in Estero, FL from January 2010 to April 2012.

James Butler – Director of Sales – West Palm Beach, FL

- ~~Director of Sales for the Company and Signarama since December 2013; Regional Vice President of the Company from January 2010 to December 2010 and from January 2008 to December 2008; Signarama from December 1994 to December 2010.~~
- ~~Director of Sales for VTX and JSS since December 2015; TBA since February 2015; Experimac since July 2014; SuperGreen since March 2012.~~

- ~~• Regional Vice President of TBA from January 2011 to February 2012.~~
- ~~• Regional Vice President of PAE from January 2008 to December 2010.~~

Gary Lengel – Executive Vice President – West Palm Beach, FL - Florida Region

- Executive Vice President of the Company, Signarama, TBA, SuperGreen, Experimac, JSS and VTX since December 2015.
- Regional Vice President of the Company from December 2012 to November 2015.
- Executive Vice President of the Company from January 2010 to December 2012.
- Regional Vice President of TBA and Experimac from February 2015 to November 2015; SuperGreen from January 2014 to November 2015; Signarama from December 2009 to November 2015.

Mark Patek – Executive Vice President – Lees Summit, MO – N. Texas Region

- Executive Vice President of the Company, Signarama, VTX, JSS, TBA SuperGreen and Experimac since January 2017.
- Regional Vice President of the Company and Signarama from June 2014 to December 2016.
- Regional Vice President of VTX and JSS from December 2015 to January 2017; TBA, SuperGreen, and Experimac from February 2015 to January 2017.
- Regional Sales Manager for 220 Companies/T-Mobile in Dallas, TX from December 2012 to June 2014.
- President of College Spirit in Overland Park, KS from September 2007 to November 2012.

David Ross – Executive Vice President – Londonderry, NH - New England Region

- Executive Vice President of the Company, SAR, VTX, JSS, Signarama, TBA, Experimac and SuperGreen since January 2017.
- Regional Vice President of the Company from July 2004 to December 2016.
- Regional Vice President of VTX and JSS from December 2015 to December 2016; Signarama from February 2015 to December 2016 and from 1993 to December 2012; TBA and Experimac since from February 2015 to December 2016; SuperGreen since from January 2014 to December 2016.
- Regional Vice President of PAE from January 2008 to December 2012.

Troy Thomas – Executive Vice President – West Palm Beach, FL - Florida Region

- Executive Vice President of the Company, VTX, JSS, TBA, Experimac, SuperGreen and Signarama since January 2017.
- Regional Vice President of the Company from January 2013 to December 2016.
- Regional Vice President of VTX and JSS from December 2015 to December 2016; TBA and Experimac from February 2015 to December 2016; SuperGreen from January 2014 to December 2016; Signarama from January 2013 to December 2016.
- Publisher for New Jersey Media Group, LLC, Cherry Hill, NJ from August 2011 to December 2012.
- Vice President of Business Development for American Newspaper Solutions, LLC, Detroit, MI from January 2004 to August 2011.

Michael White – Executive Vice President – Durham, NC - Carolinas Region

- Executive Vice President of the Company, Signarama, TBA, SuperGreen, Experimac, VTX and JSS since December 2015.

- Regional Vice President of TBA and Experimac from February 2015 to November 2015; SuperGreen from January 2014 to November 2015,
- Regional Vice President of the Company and Signarama from December 2010 to November 2015.
- Regional Vice President of PAE from December to February 2015 and IZON Global Media, (“IZON”) a franchisor of advertising agencies, West Palm Beach, FL from December 2010 to February 2014.

Andrew Beach – Regional Vice President – Newport Beach, CA – Southern California Region

- Regional Vice President of the Company, Signarama, TBA, SuperGreen, Experimac, VTX and JSS since January 2017.
- Regional Manager for the Company, Signarama, TBA, SuperGreen and Experimac from August 2015 to December 2016.
- Regional Manager for VTX and JSS from December 2015 to December 2016.
- Operations Advisor for TBA from February 2014 to August 2015.
- Franchise Development Representative for the Company, Signarama, SuperGreen and TBA from December 2013 to February 2014.
- Equipment Manager for Whitecaps, a sports equipment rental company in Palm Beach, FL from March 2013 to November 2013.
- VIP Tour Guide for Keylypso Charters in West Palm Beach, FL from March 2013 to November 2013
- Commodities Broker for Blackstone Group in West Palm Beach, FL from March 2012 to February 2013.

David Braun – Regional Vice President – Chelsea, MI – Michigan Region

- Regional Vice President of the Company, Experimac, Signarama, TBA, SuperGreen, JSS and VTX since September 2016.
- Director of Franchise Operations and Development for Art Van Furniture, a furniture company in Warren, MI from December 2011 to August 2016.

Eric Brewstein – Regional Vice President – Maple Glen, PA – Pennsylvania Region

- Regional Vice President of the Company, Experimac, Signarama, TBA, SuperGreen, JSS and VTX since January 2017.
- Head of Sales and Cofounder of The Bacon Jams, LLC, a specialty food company in Westchester, PA from September 2013 to March 2016.
- Director of Business Development and Founder of Corsa Advertising, LLC, an advertising agency in Conshohocken, PA from April 2006 to April 2013.

David Coughlin – Regional Vice President – New Rochelle, NY - Upstate NY Region

- Regional Vice President of the Company, Experimac, SuperGreen, TBA, Signarama, JSS and VTX since November 2016.
- President and Owner of UK Sailmakers, LLC in New York, a sail making company selling sails and marine equipment for racing and pleasure sailing vessels in New York, NY and Annapolis, MD from January 2014 to October 2015.
- Vice President for Ulmer Sails, Inc. DBA UK Sailmakers, a sail making company selling sails and marine equipment for racing and pleasure sailing vessels in New York, NY from February 2011 to January 2014.

- Vice President of Sales and Operations for Cordia Corporation in White Plains, NY, a telecommunications company selling voice, VoIP and data services worldwide from May, 2008 to September, 2010.

Robert Cusick – Regional Vice President – Roswell, GA - ~~Alabama~~Georgia Region

- Regional Vice President of the Company, Signarama, SuperGreen, TBA and Experimac since February 2015.
- Regional Vice President of VTX and JSS since December 2015.
- Vice President of Empower, a software startup in Atlanta, GA from February 2014 to January 2015.
- Vice President and Director of Sales for Dex Media a media company in Cary, NC from October 2011 to January 2014.
- Vice President of Sales for Yellow 360 in Uniondale, NY from January 1999 to August 2011.

Brian Goss – Regional Vice President – Granville, Ohio – ~~Ohio River Valley~~West Virginia Region

- Regional Vice President of the Company, Signarama, Experimac, TBA, VTX and JSS since April 2016.
- Sales Executive for Moxie Software, a software company in San Bruno, CA from June 2013 to April 2016.
- Commander in the U.S. Navy in Washington, D.C. from August 1989 to June 2013.

Paul Gucciardo – Regional Vice President – Huntington, NY – ~~New York~~Long Island Region

- Regional Vice President of the Company, Signarama, SuperGreen, TBA, Experimac, JSS and VTX since November 2016.
- Regional Director of Operations for TruFoods, LLC, a Franchisor in New York, NY from August 2015 to October 2016.
- Owner of InTents Party Rentals, a tent rental company in Farmingdale, NY from January 2007 to July 2015.
- Director of Operations for Zorris Caterers, a food catering company in Bethpage, NY from April 1996 to July 2014.
- Partner of Mercato Kitchen & Cocktails, a restaurant/bar in Massapequa, NY from March 2011 to September 2015.

Chuck Haney – Regional Vice President – Phoenix, AZ – Southwest Region

- Regional Vice President of the Company, Experimac, Signarama, Experimac, SuperGreen, JSS and VTX since January 2017.
- Sales Director for Renewal by Anderson, a window and door replacement company in Phoenix, AZ from September 2016 to December 2016.
- Managing Partner of Green Acres Management, an insurance, retirement planning and consulting business in Phoenix, AZ from October 2014 to August 2016.
- Vice President of Sales for Erus Energy, a renewable energy/solar energy company offering energy saving product and services in Phoenix, AZ from January 2012 to September 2014.

Ryan Hiott – Regional Vice President – Woodstock, GA – Georgia Region

- Regional Vice President of the Company, TBA, Signarama, Experimac, SuperGreen, JSS and VTX since January 2017.
- National Sales Manager for American Innotech, a biotech company in Escondido, CA from January 2012 to December 2016; and SE Regional Director from January 2006 to December 2011.

Robert Kelliher – Regional Vice President – Bellevue, WA – Pacific Northwest Region

- Regional Vice President of the Company, Experimac, Signarama, TBA, SuperGreen, JSS and VTX since January 2017.
- Owner and Manufacturer’s Representative of RC Kelliher, LLC, a party supply company in Las Vegas, NV from June 2014 to December 2016.
- General Manager for Discount Party Store Developers, a party store business development company in Las Vegas, NV from March 2011 to March 2014.

Glenn Leingang – Regional Vice President – Katy, TX - ~~Houston~~ Louisiana Region

- Regional Vice President of the Company, Signarama, SuperGreen, TBA, Experimac, JSS and VTX since January 2016.
- Vice President of Sales for Regal Plastics in Houston, TX from May 2015 to January 2016.
- Director for Northwood Church in New Orleans, LA from January 2009 to January 2015.

Paul Mason – Regional Vice President – Lafayette, CA - ~~Pacific Northwest~~ N. California Region

- Regional Vice President of the Company, Signarama, SuperGreen, TBA and Experimac since May 2015; and VTX and JSS since December 2015.
- President of Maintenance Systems Management, Inc., a maintenance contract broker in San Francisco, CA from January 2002 to April 2015.

Justin Miller – Regional Vice President – Franklin, TN - Appalachian Region

- Regional Vice President of the Company, TBA, Signarama, Experimac, SuperGreen, JSS and VTX since August 2016.
- Partner of iTrip, a property management company in Destin, FL from March 2010 to September 2016.
- General Manager/Sales Manager for Francis David Corporation, a marketing company in Nashville, TN from July 2015 to March 2016.
- Director of Marketing for Sava Senior Care, skilled nursing facilities in Nashville, TN from August 2014 to June 2015.

Dan Nemunaitis – Regional Vice President – Crystal Lake, IL - Midwest Region

- Regional Vice President of the Company since December 2013.
- Regional Vice President of VTX and JSS since December 2015; TBA and Experimac since February 2015; SuperGreen since January 2014; Signarama since November 2011.
- Senior Director of Franchise Sales & Business Development for Global Recruiters Network, Downers Grove, IL from September 2004 to November 2011.

Sean Oatney –Regional Vice President – Monument, CO - Mountain Plains West Region

- Regional Vice President of the Company, Signarama, TBA, SuperGreen, Experimac, VTX and JSS since January 2017.
- Executive Vice President of the Company, Signarama, TBA, SuperGreen, Experimac, VTX and JSS from December 2015 to December 2016.
- Regional Vice President for TBA and Experimac from February 2015 to November 2015; SuperGreen from January 2014 to November 2015; the Company and Signarama from December 2012 to November 2015.
- Executive Vice President of Signarama from June 2007 to December 2012.

Evan Opel – Regional Vice President – Midlothian, VA – ~~Mid-Atlantic~~Virginia Region

- Regional Vice President of the Company, Signarama, TBA, SuperGreen, Experimac, VTX and JSS since December 2015.
- Regional Manager of Experimac from February 2015 to November 2015. the Company, Signarama, TBA and SuperGreen from March 2014 to November 2015.
- Regional Manager for PAE from October 2014 to February 2015.
- Account Executive for Holiday Signs, a sign manufacturer in Chester, VA from September 2006 to March 2014.

Sean Palmer – Regional Vice President – Seattle, WA – ~~So. California/Nevada~~Region

- ~~Regional Vice President of the Company, Signarama, SuperGreen, TBA, Experimac, JSS and VTX since March 2016.~~
- ~~Vice President of Sales – North America for Main Street Energy and Technologies, a reseller of energy efficient LED lighting in Birmingham, AL from December 2014 to February 2016.~~
- ~~Founder and President of MOVEDADDY.COM, a moving and storage company in Birmingham, AL from January 2011 to November 2014.~~

Benjamin Padilla – Regional Vice President – Spring, TX – Houston/Austin/San Antonio Region

- ~~Regional Vice President for the Company, Signarama and SuperGreen since February 2014.~~
- ~~Regional Vice President of f VTX and JSS since December 2015; TBA and Experimac since February 2015.~~
- President of Restaurant Development Concepts, Inc. Consulting contracts with Syal & Sons, Inc. dba The Fish Place in Houston, TX from December 2012 to January 2014.
- President of Restaurant Development Concepts, Inc. dba Two Cities Grill & Cantina in Houston, TX from January 2009 to December 2012.

Sean Palmer – Regional Vice President – Las Vegas, NV - Las Vegas Region

- Regional Vice President of the Company, Signarama, SuperGreen, TBA, Experimac, JSS and VTX since March 2016.
- Vice President of Sales – North America for Main Street Energy and Technologies, a reseller of energy efficient LED lighting in Birmingham, AL from December 2014 to February 2016.
- Founder and President of MOVEDADDY.COM, a moving and storage company in Birmingham, AL from January 2011 to November 2014.

Evelyn Romero – Regional Vice President – New Britain, CT – Connecticut Region

- Regional Vice President of the Company, Signarama, TBA, SuperGreen, Experimac, JSS and VTX since March, 2017.

- Vice President of Development for Famous Brands International, a franchise company in Broomfield, CO from March 2014 to August 2016.
- Director of Real Estate for Title Max, a title lending franchise in Savannah, GA from March 2013 to February 2014.
- Director of Real Estate and Sales for Quiznos Master, LLC a retail restaurant in Denver, CO from January 2005 to November 2013.

Shannon Sizemore - Regional Vice President –Lake Saint Louis, MO – Midwest Region

- Regional Vice President of the Company, Signarama, TBA, SuperGreen, Experimac, JSS and VTX since February 2017.
- Regional Sales Manager for JVB Consulting, a business consulting company in Omaha, NE from September 2016 to January 2017.
- Vice President of Bank of America Merchant Services in St. Louis, MO from May 2016 to September 2016.
- President and Owner of Total Payment Solutions a credit card processing company in St. Louis, MO from January 2013 to May 2016.
- Bank Relationship Manager for Premier Processing Systems a credit card processing company in St. Louis, MO from September 2010 to December 2012.

Jeffrey Thompson – Regional Vice President – St. Charles, MO - ~~Missouri~~Great Plains Region

- Regional Vice President of the Company, Signarama, SuperGreen, TBA, Experimac, JSS and VTX since January 2016.
- Owner of T & H Foundations, a concrete design company in St. Charles, MO from January 1996 to January 2015.

Todd Trembl – Regional Vice President – Plymouth, MN - ~~Minnesota~~Mountain Plains Region

- Regional Vice President of the Company, Signarama, SuperGreen, TBA, Experimac, JSS and VTX since January 2016.
- Franchise Development Director for Lift Brands, health and wellness businesses, in Chanhassen, MN from November 2014 to January 2016.
- Director of Buying Operations for Winmark Corporation; a franchisor of five retail resale businesses in Minneapolis, MN from July 1987 to September 2014.

Timothy Weigard – Regional Vice President – Shrewsbury, MD – Maryland Region

- Regional Vice President of the Company, Signarama, TBA, SuperGreen, Experimac, JSS and VTX since August 2016.
- Senior Sales Representative for Gable Signs, a sign company in Baltimore, MD from January 2002 to August 2016.
- Sales Representative for Sign Effects, a sign company in Baltimore, MD from June 1996 to January 2002.

Michael Zeiman – Regional Vice President – Springfield, NJ – New Jersey Region

- Regional Vice President of the Company, Signarama, TBA, SuperGreen, Experimac, JSS and VTX since September 2016.
- Account Executive for Rewards Network, a marketing and merchant cash advance services company in Chicago, IL from February 2013 to August 2016.

- President of CUC of Central New Jersey, a restaurant in Somerville, NJ from November 2008 to February 2013.

Xavier Alvarez – Regional Manager – Monterey Park, CA

- Regional Manager of the Company, Signarama, Experimac, TBA, SuperGreen, JSS and VTX since January 2017.
- Trade & Contract sales advisor for Eco Smart Inc., a fireplace manufacturer in Los Angeles, CA from August 2013 to January 2017.
- Owner/Manager of Priority One Vending, a vending machine company in Pasadena, CA from January 2010 to July 2013.

Casey Matthews – Regional Manager – Lake Worth, FL

- Regional Manager of the Company, Signarama, TBA, SuperGreen, VTX, JSS and Experimac since July 2016.
- Franchise Development Representative for the Company, Signarama, TBA, SuperGreen and Experimac from November 2015 to July 2016.
- Golf Instructor at the Redland Golf and Country Club in Homestead, FL from January 2012 to August 2015; and Tournament Coordinator from January 2010 to January 2012.

Jeremy Norfus – Regional Manager – Phoenix, AZ

- Regional Manager of the Company, Signarama, TBA and SuperGreen since December 2013; VTX and JSS since December 2015; Experimac since February 2015.
- Franchise Development Representative for the Company, SuperGreen and PAE from March 2013 to December 2013.
- Certified Aftercare Counselor at Crosspointe Elementary in Boynton Beach, FL from March 2013 to January 2014.
- Marketing Assistant at the University of Central Florida in Orlando, FL from September 2009 to December 2012.

Chris Sanger – Regional Manager – Alvin, TX

- Regional Manager of the Company, Signarama, Experimac, TBA, SuperGreen, JSS and VTX since January 2017.
- City Council Member for the City of Alvin in Alvin, TX since August 2015.
- Licensed realtor for Century 21 Paramount, a Real Estate Brokerage company in Alvin and League City, TX from December 2013 to December 2016.
- Economics Instructor for YES Prep Public Schools in Houston, TX from July 2013 to December 2013.
- Assistant Football Coach at Ellsworth Community College in Iowa Falls, IA from July 2012 to December 2012.
- Assistant Football Coach at Nevada Community High School in Nevada, IA from June 2011 to May 2012.

ITEM 3

LITIGATION

A. Pending Litigation: None

B. Litigation Against Franchisees Commenced in the Past Fiscal Year: None

~~Litigation to collect royalties and other sums~~

~~EmbroidMe.com, Inc. v. Robert Karnila and Joanne Karnila, AAA Case No. 01-15-0006-0196
(Filed December 22, 2015)~~

C. Completed Litigation:

The matter of George and Natalia Apanel and GJA Enterprises, Inc. v. EmbroidMe.com, Inc., et al was filed in the District Court for the 11th Judicial District, Harris County, Texas on September 27, 2006 (however not served on the Company until July 17, 2007). (Case No. 200661130). The Plaintiffs, who acquired an EmbroidMe franchise in 2004 in connection with their purchase of an existing EmbroidMe store in Houston, TX, alleged that the Company and the other defendants engaged in deceptive trade practices, fraud and negligent misrepresentation in connection with the sale of the business to the Plaintiffs. The complaint sought damages for economic losses and mental anguish in an unstated amount and also sought exemplary damages and restitution in the amount of \$229,695. Prior to responding to the complaint, the Plaintiffs and the Company engaged in mediation of these claims. Subsequent to the mediation, the Plaintiffs and the Company agreed to settle this matter by a dismissal with prejudice of all of the Plaintiffs' claims and a payment by the Company to the Plaintiffs of the sum of \$30,000.

D. Restrictive Orders:

The following injunctive order relates to Signarama, an affiliate of the Company and covers certain directors, officers and employees of Signarama:

Federal Trade Commission, Plaintiff, v. Minuteman Press International, Inc., Speedy Sign-A-Rama, USA, Inc., Roy W. Titus and Jeffrey Haber, Defendants (CV 93-2496) Filed on June 4, 1993, in the United States District Court, Eastern District of New York. The Federal Trade Commission complaint alleged that the Defendants violated Section 5(a) of the Federal Trade Commission Act and the Commission's Franchise Rule (16 CFR Part 436) by falsely representing to prospective franchisees potential gross sales levels and profitability of their franchise units, failing to disclose the obligation to pay a substantial transfer fee up on the resale of the franchise, and by making earnings claims without proper documentation and in contradiction of statements in their disclosure documents. On December 18, 1998, an injunction was filed prohibiting the Defendants, excluding Haber from doing the following: A. Making, or assisting in the making of, expressly or by implication, orally or in writing, to any prospective franchisee any statement or representation of past, present or future sales, income, or gross or net profits of any existing or prospective franchisee or group of franchisees, unless at the time of making such representation the defendant possesses written material that provides a reasonable basis for the representation. B. Violating any provision of the Franchise Rule 16 C.F.R. Part 436 or the Rule as it may later be amended and the disclosure requirements of the UFOC in effect at the time. C. Assessing or collecting a transfer/training fee from any franchisee who sells or assigns its franchise unless the selling franchisee received a copy of a disclosure statement indicating that such fee would be charged. D. Failing to monitor and investigate any complaints about compliance with the rule or the injunction. E. To cooperate with the Commission in the enforcement of this injunction.

The following order relates solely to Signarama, an affiliate of the Company:

Signarama entered into a consent order with the Securities Commissioner of Maryland in January of 1996. The matter is captioned In the Matter of Speedy Sign-A-Rama, USA, Inc. and is Case No.

S-95-112. It is alleged in the consent order that Speedy sold four (4) franchises in the State of Maryland after its registration under the Maryland Franchise Law had lapsed, and before it was renewed. In settlement of the matter, and while neither admitting nor denying the findings in the order, Speedy agreed to offer rescission to the four (4) franchisees, adopt a compliance program intended to avoid unregistered sales and disclose the existence of the order in its franchise Disclosure Document under the Maryland Franchises Law. All four (4) Franchisees stayed with Signarama.

Other than these actions, no litigation is required to be disclosed in this item.

ITEM 4

BANKRUPTCY

Sean Palmer, a Regional Vice President of the Company with an address and principal business address of 200 Hoover Ave, #1111, Las Vegas, NV 89101, filed on April 21, 2015 a bankruptcy petition under Chapter 7 of the United States Bankruptcy Code (United States Bankruptcy Court for the Northern District of Alabama, Case No. 15-01601-TOM7). He was discharged on July 20, 2015.

Troy Thomas, a Regional Vice President of the Company with an address and principal business address of 2121 Vista Parkway, West Palm Beach, FL 33411, filed on October 13, 2010 a bankruptcy petition under Chapter 7 of the United States Bankruptcy Code (United States Bankruptcy Court for the Eastern District of Michigan, Case No. 10-71480). He was discharged on January 4, 2011.

Shannon Sizemore, a Regional Vice President of the Company with an address and principal business address of 466 Flowering Magnolia Drive, O'Fallon, MO 63366, filed on February 14, 2008 a bankruptcy petition under Chapter 7 of the United States Bankruptcy Code (United States Bankruptcy Court for the Southern District of Illinois, Case No. 08-30284-KJM). He was granted a discharge on June 9, 2008.

Except as set forth above, no bankruptcy information is required to be disclosed in this Item.

ITEM 5

INITIAL FEES

Except as noted below, all franchisees purchasing a new Fully Promoted franchise pay an initial franchise fee of \$49,500 when they enter into our Franchise Agreement. At least 14 days after we provide you with a copy of this Disclosure Document, together with a copy of all proposed agreements relating to the purchase of a franchise, but Pprior to signing the Franchise Agreement, you will be required to pay a \$5,500 deposit (commonly referred to as a “binder”). This binder is fully refundable if you do not purchase a Fully Promoted franchise. After we receive your binder, we assist you with your search for your Store location. On the date you enter into your Franchise Agreement, the binder is applied against the initial franchise fee leaving a remainder of \$44,000 which must be paid at the time of signing the Franchise Agreement. The initial franchise fee is non-refundable. All current owners pay a second-store franchise fee of \$25,500 that is nonrefundable and due at closing. Any conversion franchisee converting an existing branded products and marketing services business to a Fully Promoted franchise also will pay an initial franchise fee of \$25,500, which is nonrefundable and must be paid at the time of signing the Franchise Agreement. See Item 6 regarding payment of royalties by a conversion franchisee. In

addition, if you are purchasing an existing resale outlet, the seller will pay to us \$29,500 or the then current transfer/training fee from the closing proceeds as described in Items 6 and 7.

Eligible United States military veterans with 1 to 20 years of active duty service will receive a discount of ~~at least~~ 10% of the standard franchise fee or 5% of the standard transfer fee. Eligible veterans with more than 20 years of active duty service will receive a discount of 25% of the standard franchise fee or 10% of the standard transfer fee. An eligible veteran is a veteran who has received an honorable discharge. Owners in good standing of our affiliated brands (Signarama, TBA, SuperGreen, ~~and~~ Experimac, JSS and VTX) purchasing our franchise will pay a franchise fee of \$25,500.

In addition to the initial franchise fee, you must purchase an equipment package from us, as further described in Items 7 and 8. The cost of the equipment package including shipping is \$103,895 plus taxes which is nonrefundable and due at closing (if purchased rather than leased). If leased, you will pay us a refundable down payment of \$12,500 at the time of signing your Franchise Agreement. This down payment will be refunded to you when your lease is funded by the leasing company or credited against any down payment required by the leasing company. See Items 7 and 10 for information regarding leasing the equipment package.

Our affiliate, Franchise Real Estate assists our franchisees with site selection, lease negotiation, construction management, store design and layout and assistance with obtaining building renovation costs. You may use Franchise Real Estate's services at your option. Franchise Real Estate may be compensated by your landlord for their services, but if you opt not to use Franchise Real Estate and you retain another real estate company for this assistance, then you will be required pay a service charge to Franchise Real Estate for their pre-opening assistance of \$23,500. This service charge will be required to be paid prior to opening your Fully Promoted Store and is non-refundable.

ITEM 6

OTHER FEES

Name of fee	Amount	Due Date	Remarks
Royalty ¹	6% of your gross revenues up to \$540,000, 4% and 3% of your gross revenues from \$540,001 to \$1,000,000 and 2% of your gross revenues over \$1,000,000	Payable monthly on the 2 nd business day of the following month	Gross revenues include all revenue from the franchise location. Gross revenues do not include sales tax
Marketing Fee ²	1% of your gross revenues	Payable monthly on the 2 nd business day of the following month	See Item 11 for more information on marketing
POS Business Management System ("BMS") Software & Website Maintenance Fee ³	\$199.00 per month or the then current fee	Payable monthly	Payable to the Company and designated vendors
Transfer Fee	The greater of \$29,500 or then current transfer fee at time of transfer	Prior to consummation of transfer	Payable by the seller from the proceeds of the sale of the franchise
Online Sourcing Fee ⁴	Fees vary, currently approximate fee ranges from \$49 to \$69 per month	Payable monthly	Payable to designated vendor
Microsoft Office 365 Business Subscription Fee ⁵	Fees vary, currently approximate fee is \$300 annually	Payable annually	Payable to designated vendor
Fully Promoted Expo Attendance ⁶	\$1,000 to \$1,300	Payable prior to convention	Payable to the Company, hotels and airlines
Email Account Fee ⁷	\$1.00 per month per email address or then current fee	Payable monthly	Payable to designated vendor
Name of fee	Amount	Due Date	Remarks

Employee Training Fee ⁸	\$225 or then current fee per person attending training plus travel & hotel expenses	Payable prior to start of training program	Payable to the Company
Renewal Fee	\$1,500	30 days before renewal	To cover costs of closing and processing paper work
Audit ⁹	Cost of audit plus interest on underpayment	Payable at the time of audit	Payable only if an audit shows an understatement of at least 2% on any one-month's reports

Unless indicated otherwise, the fees or payments listed above are nonrefundable. All of the fees listed above are uniformly applied to franchisees.

¹ Our Franchise Agreement requires you to pay to us a continuing royalty payable monthly. You are prohibited from offsetting or deducting this required royalty payment in any form or fashion. On the second business day of the following month, we will obtain from your computer by electronic polling your sales figures for the prior month and will withdraw the royalties, Marketing Fee and website maintenance fee from your designated bank account. We may charge you interest and/or late fees if we are unable to withdraw the royalties and other amounts due to us in a timely manner. For a detailed definition of gross revenue, please see Section 10.D of the Franchise Agreement.

We have a unique royalty incentive program for the benefit of our Franchisees. If eligible, you will only pay 6% royalty on your annual gross revenue up to \$540,000 of yearly gross revenue, and 34% of your annual gross revenue from \$540,000 to \$1,000,000 and 2% on your annual gross revenue in excess of \$1,000,000. (We call this a cap.) ~~No royalty will be paid on your annual gross revenues in excess of \$1,000,000.~~ Eligibility for this program is based on whether or not you are in compliance with the terms of your Franchise Agreement. Please note that the caps on royalties are subject to periodic review and change.

² This Marketing Fee is paid to an advertising fund which is currently controlled by franchisees, although we reserve the right to bring the advertising fund under our control in the future. This fee will be used for national advertising, Internet advertising and web hosting and development. See Item 11 for more information regarding this advertising fund. In addition, you will conduct your own local marketing as described in Item 11.

³ The Software & Website Maintenance Fee is \$199 per month. This fee is for the maintenance and hosting of 2 administrative licenses and 2 sales licenses for your Business Management System (“Point of Sale System” or “BMS”) software and one website license. These licenses are initially provided to you as part of the equipment package you are required to purchase. This fee can be increased by the vendors in the future. This fee may also be increased if we introduce a new business management or point of sale system or make major modifications to your business management or point of sale system in the future.

⁴ The Online Sourcing Fee provides access to a promotional product sourcing data base maintained by a third party vendor. There are a number of third party vendors who offer promotional product sourcing data base subscriptions. Fees vary by vendor and also based on the number of users who will need access. Third party vendors may increase or decrease their fees in future years.

⁵ You will need to subscribe to Microsoft Office 365-Business Edition. Your subscription includes licenses for 3 users and includes Outlook, Word, Excel and Powerpoint as well as 1TB of file storage and 24/7 phone and web support.

⁶ The Fully Promoted Expo for franchisees of the Company is held every 12-18 months. Costs include admission fee, airfare, hotel, meals and incidentals.

⁷ This fee can be increased in the future by the vendor.

⁸ A training fee is charged for employees of a franchisee attending a training class or any additional persons who attend our initial training program with you.

⁹ You give us the right at all times to examine your Business Management System (“BMS”), financial books, bank accounts, bank statements, tax returns and records relating to the Fully Promoted Store together with the right to make copies. You must provide BMS reports and data, copies of your financial books, bank statements, tax returns and other records to us if we request. This right to audit shall also apply to any other business operated from your Fully Promoted Store premises that is owned or controlled by you or a member of your family. You are not permitted to combine or commingle your Fully Promoted Business operations with that of any other business. You are not permitted to use the bank account or BMS designated for your Fully Promoted Business to process transactions, sales make deposits or pay expenses for another business. You must keep the financial books and records of your Fully Promoted Business separate and apart from your personal financial books and records and from the books and records of any other business you own or operate. You must not file consolidated tax returns for the Fully Promoted Business which consolidate the income and deductions of the Fully Promoted Business with those of another business. This audit will be at our sole expense; provided, however, you will pay the reasonable cost of any audit where this audit discloses that you have paid less than 98% of your royalties in any one month plus interest at the lesser of 18% or the highest rate allowed by law from date the such royalties were due. Currently, the cost you are charged for an audit is a fixed amount of \$600. Audit costs are subject to change. You will be required to maintain all of your financial records for a period of 6 years. In addition, you will be required to provide us with a profit and loss statement monthly and/or our ~~EPOS~~BMS sales report, as we may direct. You must ~~also~~ send to us financial reports annually in the form that we request (balance sheet, profit and loss statement, etc.). You must also provide us with copies of your tax returns on an annual basis. Financial statements and reports for the Fully Promoted Business must not be consolidated with any other business. If you consolidate, combine or commingle any of the financial books and records, tax returns or financial reports for the Fully Promoted Business with those of another business or use your BMS or bank account designated for the Fully Promoted Business in the operation of another business, our right to audit will be extended to the complete financial records, tax returns, books and bank accounts of the other business.

If your franchise is located in a jurisdiction where the franchise fee, royalty or any other fees paid by you to us are subject to a tax, then you will be required to pay those taxes.

You must file all state, federal and local financial reports and returns that may be required by law relative to operating your Fully Promoted Store. We have the right to request copies of all of these reports or returns.

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ITEM 7

ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of expenditure	Amount Estimated Range (<u>Equipment Purchase</u>)	Amount Estimated Range (<u>Equipment Lease</u>)	Method of Payment	When Due	To Whom Payment is Made
Initial Franchise Fee ¹	\$49,500	\$49,500	Lump sum	At signing of Franchise Agreement	Company
Travel and Living expenses while at training school ²	\$210 to \$490 (\$15 to \$35 per day)	\$210 to \$490 (\$15 to \$35 per day)	As incurred	During training	Restaurants, entertainment, etc.
Real Estate (Rental payments vary from location to location.) ³	Note 3	Note 3	Note 3	Note 3	Note 3
Real Estate Service Charge ³	\$0 to \$23,500	\$0 to \$23,500	Lump sum	Prior to opening	Franchise Real Estate, an affiliate of Company
Leasehold Improvements ⁴	\$3,000 to \$20,000 <u>29,500</u>	\$3,000 to \$20,000 <u>29,500</u>	As incurred	As incurred prior to opening store	Landlord, contractors
Equipment Package ⁵	\$103,895	-0-	Lump sum	At closing	To Company if you choose to purchase your equipment outright

Type of expenditure	Amount Estimated Range (<u>Equipment Purchase</u>)	Amount Estimated Range (<u>Equipment Lease</u>)	Method of Payment	When Due	To Whom Payment is Made
Equipment Package initial payments and Processing Fee (if leased) ⁵	-0-	\$3,066	Lump sum	At signing of lease or loan	Payable to lessor if you choose a lease or loan to purchase your equipment
Insurance ⁶	\$1,000 to \$2,000	\$1,000 to \$2,000	As arranged	As incurred	Supplier
Security Deposit/ Utility Deposits/ Licenses ⁷	\$500 to \$3,000	\$500 to \$3,000	As arranged	As incurred	Suppliers, utilities
Opening Supplies ⁸	\$500 to \$1,500	\$500 to \$1,500	Lump sum	As incurred	Supplier
Additional Funds (0-6 mos.) ⁹	\$35,000 to \$55,000	\$35,000 to \$55,000	As incurred	As incurred	Employees, suppliers and other third party vendors
Totals ¹⁰	Low = \$1903,605 High = \$237,885248,385	Low = \$92,49992,776 High = \$139,779147,556			

(*NOTE: Your estimated initial investment will be \$20,000 lower if you are acquiring a second or additional Fully Promoted franchise (the difference between an initial franchise fee of \$49,500 and \$25,500).

(*NOTE: Your estimated initial investment for a conversion franchise will be significantly lower if you can continue to use your existing location and equipment and convert the business to a Fully Promoted Store. The total estimated initial investment for a conversion franchise is approximately \$29,500 to \$37,000, which includes the \$25,500 initial franchise fee and an amount for signage and other improvements to fit the Fully Promoted image. Your initial investment for a conversion franchise may be higher and may include most or all of the expenses noted in the Item 7 table if you are unable to use your existing location and equipment in the conversion.)

(Except where noted otherwise, all amounts that you pay to us are nonrefundable. Third party lessors and suppliers will decide if payments to them are refundable. Neither we or any of our affiliates offer any financing for any of your initial investment. See Item 10 of this Disclosure Document for more information.)

¹ The initial franchise fee is discussed in detail in Item 5 of this Disclosure Document. ~~We do not offer financing for the initial franchise fee.~~

² We provide one round trip airfare to our Florida Corporate Headquarters where we hold our training. We also provide your hotel accommodations and one daily meal. The only costs that you will incur will be for your other daily meals, local transportation and your entertainment. Of course, these costs will vary depending upon your requirements.

³ A typical new Fully Promoted Store generally occupies 1,000 to 1,500 square feet of interior space with HVAC, lighting fixtures, electrical outlets and telephone wiring installed for your business. Cost per square foot of leasing commercial space varies greatly depending on your location and the market conditions effecting commercial property at the time of your lease. We will help you find your location and then you and we must both agree that it is the right place for you to open up your new business. At your option, Our affiliate, Franchise Real Estate, assists you in locating and negotiating the lease for the premises, with construction management and store design layout and obtaining building renovation costs and, in some cases, may receive compensation from the landlord. If you opt not to use Franchise Real Estate or if you retain another real estate services company to provide these services, you will be required to pay a service charge of \$23,500 to Franchise Real Estate as described in Item 5.

⁴ You will need to improve your Store premises to meet our specifications and standards, including changes to flooring, ADA bathrooms, ceiling and walls, paint, sprinkler, HVAC and electrical. The cost of the leasehold improvements will depend on a number of factors including the layout and condition of the premises, labor and material costs, plans and permits in the market where your Store will be located and the landlord's contribution to the cost of the improvements. In some cases, Franchise Real Estate may be able to assist you in negotiating ~~negotiate~~ with the landlord to pay for all or a substantial portion of the improvements or to reimburse you on terms agreed to between you and the landlord. Some required improvements such as exterior electrical signage, including installation, and window graphics and slatted walls for displays are provided by us as part of the equipment package. This range of costs assume some construction allowances are provided by the landlord which are reimbursable to you based on terms agreed between you and the landlord.

⁵ Leasing your equipment reduces your initial investment by spreading out monthly payments for the use of your Store's equipment, rather than paying an initial lump sum for the purchase. You may lease the equipment package through an outside leasing or finance company rather than paying the lump sum amount for purchase. Leasing the equipment does reduce your initial investment but likely will result in higher payments over the term of the lease because of interest payments and other charges. You and the lessor will determine the precise amount of any initial or periodic payments at the time of the transaction. The payments ordinarily are not refundable. Market forces will determine loan repayment totals and interest rates. We are not obligated to offer directly or indirectly any arrangements for financing of your initial investment, your equipment or the continuing operation of your franchise. We do not guarantee your note, lease or any other obligation.

The total cost of the equipment package is \$103,895 plus any applicable sales and use taxes. We have arranged for equipment leasing through VFS, LLC, a division of Crestmark Bank ("VFS"). We may also make arrangements through other lending sources in the future. The terms of payment and other conditions of an equipment lease vary by leasing company and are subject to change without notice. Equipment leasing companies require monthly lease payments over the term of the lease. For example, if you choose to lease through VFS, you will pay a monthly lease payment of approximately \$2,566, plus any applicable sales and use taxes with a term of 48 months. VFS' equipment leases also contain a "buyout" or residual in the amount of 15% of the original financed amount which is due at the end of the payment term. In addition, VFS requires you to pay the first month's lease payment when you sign your lease documents plus a

processing fee of \$500. If you are married, VFS requires both you and your spouse to apply and be listed on the lease documents. You (and your spouse, if applicable) will also be required to personally guarantee your lease. Depending on your personal credit status, the leasing company may approve you for less than the full amount of the equipment package. If you are approved for a lesser amount, you will be required to pay the remaining balance of the purchase price of the equipment package to us. A copy of VFS' equipment lease is included with this Disclosure Document as Exhibit B. Your lease may be prepaid at any time. However, you will still be responsible to pay the full amount of lease payments and, therefore, may not realize a savings by prepaying.

⁶ You are obligated under the Franchise Agreement to hold certain business insurance policies including comprehensive general liability policy, a policy covering "all risk" of physical loss and additional policies as may be required under your local laws or ordinances. The amount listed in this table reflects our estimate of basic insurance for your first six months of operation. Your expenses will vary depending on your exact requirements as dictated by your landlord and/or local insurance rates.

⁷ You will need to provide deposits for your real estate and your utilities. The amounts of these deposits will vary depending on the practices of your landlord and/or utility company. You must also register your business with the local county along with a fictitious name and other requirements of your local or state government. Each of these entities may charge a fee for your registration and/or certain taxes.

⁸ You will need to purchase miscellaneous supplies, including Store maintenance items, computer supplies and other office supplies required by any business.

⁹ You will need capital to support your ongoing expenses, e.g. payroll and utilities, to the extent that these costs are not covered by sales revenue when you first open. This figure does not include sums necessary for living or personal expenses nor payments for your debt service. New businesses often generate a negative cash flow for a time. We estimate the amount given will be sufficient to cover on-going expenses for the start-up phase of your business that we calculate to be up to 6 months. However, this is only an estimate and we cannot assure you that additional capital will not be necessary during your start-up phase. Our estimate of the capital you will need to support your ongoing expenses during your start-up phase is based on our experience in in the business since 2000. Your costs will depend on factors such as how much you follow our systems and procedures, your management skills and experience, your business skills, local economic conditions, the prevailing wage rate, the local market for the Fully Promoted Business, competition and sales levels reached during the start-up phase.

¹⁰ This total is an estimate of your initial investment and is based on our estimate of average costs and market conditions prevailing as of the date of this Disclosure Document and our ~~16 years of~~ experience in the business since 2000. We encourage you to seek the advice of your business advisor, accountant or attorney to help formulate a business plan and a methodology of your business operation. ***Remember: A Business Plan is an important step in understanding your financial needs.*** You are cautioned to allow for inflation, discretionary expenditures, fluctuating interest rates and other costs of financing, and other local market conditions, which can be highly variable. You must bear any deviation or escalation in costs from the estimates in this Item 7.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

In order to ensure a uniform image and uniform quality of products and services in all Fully Promoted businesses, you must maintain and comply with our quality standards. Although you are not required to purchase or lease real estate from us, you must improve and equip the building from which you operate the Business in accordance with our then current approved design specifications and standards. In addition to meeting our design specifications and standards, it is your responsibility to ensure that your building plans comply with the Americans with Disabilities Act and all other federal, state or local laws.

You also must use equipment (which includes hardware and software for the computer system), signage, fixtures, furnishings, products, supplies, and marketing and sales promotion materials that meet our specifications and/or standards. The standards and specifications imposed on franchisees are formulated and modified based on the Company's experience and industry standards for quality and efficiency. The standards and specifications are issued to franchisees through the Operations Manual and by periodic informational updates. The Franchise Agreement requires you to sell or use only those products and services in connection with the Fully Promoted Marks and Business that we have approved in writing. The purpose of this requirement is to ensure that all franchisees adhere to the uniformity requirements and quality standards associated with Fully Promoted businesses and not to exercise any day-to-day control over the operation of your Fully Promoted Business.

As noted in Items 5 and 7, you must buy an equipment package from us. The equipment package contains all of the equipment and supplies you will need to begin operations and is further described on Schedule A attached to the Franchise Agreement. For the year ended December 31, 2015, our gross revenue from the sale of equipment and supplies to franchisees was \$1,628,508 or 21.624% of our total revenue of \$7,572,316.7%.

You must purchase ~~point-of-sale system~~ Business Management System ("BMS") software maintenance services from us. For the year ended December 31, 2015, our gross revenue from franchisee purchases of these services was \$48,766 or 0.607% of our total revenue of \$7,572,316.7%. Our Chief Executive Officer, Raymond W. Titus and Secretary/Treasurer, Ellen Titus Lee own an interest in our Company. We are the only approved supplier of the required equipment package and BMS software maintenance services.

Our affiliate, Franchise Real Estate is an approved supplier of real estate services and assistance. As noted in Items 5 and 7, at your option, you may obtain real estate services from Franchise Real Estate including, assistance with site selection, lease negotiation, construction management and assistance with obtaining building renovation costs. If you opt not to obtain these services from Franchise Real Estate, and you use another real estate services company for these services, you pay a penalty or service fee of \$3,500 to Franchise Real Estate. When you use Franchise Real Estate's services, Franchise Real Estate may receive compensation from the lessor of your business premises. For the year ended December 31, 2016, Franchise Real Estate's gross revenue from providing real estate services to franchisees was \$26,314 or 5.6% of the affiliate's total revenue of \$468,926. We computed the affiliate's total revenue, and its revenue from providing real estate services to franchisees using the affiliate's audited financial statement for the year ended December 31, 2016. Our CEO, Ray Titus and Secretary/Treasurer, Ellen Titus Lee own an interest in our Company and Franchise Real Estate.

We require in the Franchise Agreement that you purchase at least 80% of your products and store supplies in the following categories from our approved suppliers:

Clothing items

Promotional products
Decoration supplies
Machinery and equipment
Digital marketing services
Print products and services
Lead generation and database services

You are required to use payroll services and credit card processing and merchant services vendors in your operations. We have approved suppliers for these services and for insurance, financing and bookkeeping software and website hosting and maintenance services. You must purchase website hosting and maintenance services from our approved suppliers and there is no alternate source of supply. You may purchase or obtain payroll services, merchant services, insurance, financing and bookkeeping software from our approved suppliers or another vendor of your choice. Neither the Company nor any of its affiliates are approved suppliers of these products and services and no officer of the Company owns an interest in any of the approved suppliers of these products or services. We reserve the right to add or delete categories of products, supplies and services which must be purchased from approved suppliers or from us. We locate our approved suppliers through personal contact, franchisee referral, attendance at industry trade shows as well as other various means. We provide you with a list of the names, addresses, and phone numbers of local and national vendors approved for your use when you open your Store. Furthermore, in an effort to provide you additional benefits, we do interview, select, and negotiate prices, shipping and other terms with approved suppliers. For your convenience, we maintain an active electronic list of all approved vendors, specials they offer for our franchisees, as well as updating addresses and phone numbers. Although we reserve the right to do so in the future, we do not currently (i) provide written specifications standards or criteria for approving suppliers to franchisees, (ii) have a formal procedure for supplier approval, or (iii) charge fees for supplier approval.

We reserve the right to receive payments from approved suppliers in connection with franchisee purchases. The payments from these suppliers are expected to be in a range of 0-20% of the total purchases by franchisees from these suppliers. The approved suppliers may also sponsor events and/or rent booths at our franchise world expo or regional meetings and may advertise in publications issued by us. Except as disclosed above, we derive no revenue or other material benefit from approved suppliers that provide products or services to our franchisees. We do not provide material benefits to our franchisees based on a franchisee's use of a designated or approved source. When your franchise is up for renewal or you apply for an additional franchise, among the factors we consider are your compliance with your Franchise Agreement and support of our programs and policies, which would include compliance with the requirements described in this Item 8.

Except as described above, we do not require you to purchase your on-going supplies for the operation of your Store through us or from our approved suppliers, although you may purchase certain items from us.

We estimate that your purchase of equipment, products, supplies, and marketing materials from us or that meet our specifications and standards will represent approximately 75% to 90% or more of the cost to establish the franchise business and from approximately 25% to 40% of the cost to operate the franchise business on an ongoing basis.

The Franchise Agreement requires you to purchase and maintain liability insurance in an aggregate amount that we designate periodically, as described in Item 6. You also must purchase and maintain any other insurance required by any agreement related to the franchise business or law. You must furnish to us copies of all insurance policies. The insurance requirements are minimum requirements. You should consult with your local insurance agent and legal counsel to ensure your

franchise business is adequately insured, you have all insurance required by law and under the terms of any agreement to which you are a party.

You may use only marketing and promotional materials that we have approved. (See Items 6 and 11 for more information on marketing).

There are no purchasing or distribution cooperatives in the franchise system that offer to you certain products used in the franchise business.

Our standards, specifications and designation of approved suppliers disclosed above are required for the purpose of protecting the goodwill associated with the Fully Promoted trademarks and to ensure a uniform image and uniform quality services in all Fully Promoted Stores. ~~You are obligated to investigate and comply with federal, state and local laws and regulations and w~~We will vary our standards, specifications and designations at your request if necessary for you to comply with ~~any~~local laws or regulations.

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ITEM 9

FRANCHISEE'S OBLIGATIONS

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

	OBLIGATION	SECTION IN AGREEMENT	ITEM IN DISCLOSURE DOCUMENT
a.	Site selection and acquisition/lease	Section 3	Items 7, 11 and 12
b.	Pre-opening purchase/leases	Section 6	Items 5, 7 and 8
c.	Site development and other pre-opening requirements	Section 6	Items 5, 7 and 11
d.	Initial and ongoing training	Sections 6.C, 7 and 8	Items 7 and 11
e.	Opening	Section 6	Item 11
f.	Fees	Section 10	Items 5, 6 and 7
g.	Compliance with standards and policies/operating manual	Sections 6, 11, 12 and 13	Items 8 and 11

	OBLIGATION	SECTION IN AGREEMENT	ITEM IN DISCLOSURE DOCUMENT
h.	Trademarks and proprietary information	Sections 6.G, 6.H and 14	Items 13 and 14
i.	Restrictions on products/services offered	Section 6.R	Item 16
j.	Warranty and customer service requirements	Sections 6 and 21	Item 11
k.	Territorial development and sales quotas	Sections 1.C, 1.D and 6.T	Item 12
l.	Ongoing product/service purchases	Sections 6.A, 6.B, 6.F and 6.R	Item 8
m.	Maintenance, appearance and remodeling requirements	Sections 2.C, 6.J, 6.P, 6.Q, 6.S and 6.CC	Item 11
n.	Insurance	Section 13	Items 7 and 8
o.	Advertising	Section 12	Item 11
p.	Indemnification	Section 6.AA	Item 6
q.	Owner's participation/management/staffing	Sections 6.D, 6.O and 6.T	Items 11 and 15
r.	Records and reports	Sections 10.F and 11.A	Item 6
s.	Inspection and audits	Section 11	Items 6 and 11
t.	Transfer	Section 15	Item 17
u.	Renewal	Sections 2.B, 2.C, 2.D and 2.E	Item 17
v.	Post-termination obligations	Section 17	Item 17
w.	Non-competition covenants	Section 17.F	Item 17
x.	Dispute resolution	Sections 25 and 26.D	Item 17
y.	Other	Not applicable	Not applicable

ITEM 10

FINANCING

We offer indirectly arrangements for financing of your equipment through leasing companies. We do not offer directly or indirectly any arrangements for financing of any other initial investment expenditures ~~are not obligated to offer directly or indirectly any arrangements for financing of your initial investment, your equipment or of the continuing operation of your franchise.~~ We do not guarantee your note, lease or any other obligation. We have arranged for equipment leasing through VFS, LLC, a division of Crestmark Bank (“VFS”), an unrelated third party not affiliated with the Company in any manner. We may also arrange for equipment leasing through other lending sources in the future. If you choose to lease through VFS, this leasing company will lease you a major portion of the equipment package that you need to establish the Fully Promoted Business, up to \$103,895 worth of equipment. you may finance the total purchase price of the equipment package which is \$103,895. The term of the lease is 48 months with a “purchase option” lease buyout option ~~due at the end of the lease term equal to 15% of the financed original leased amount.~~ If you lease the full equipment package from VFS, your monthly payment will be approximately \$2,566 per month, plus any applicable sales and use tax and the purchase option. ~~The end of lease buyout is \$15,584.~~ When you sign your equipment lease documents, you will be required to pay the first month’s lease payment plus a processing fee of \$500. Payment factors and terms are subject to change without notice. Depending on your personal credit status and other qualifications, the leasing company may approve you for less than the full amount of the purchase price of the equipment package. If you are approved for a lesser amount, you will be required to pay the remaining cost of the equipment package, plus any applicable sales tax directly to us. VFS and other leasing companies will require you to personally guarantee your lease. If you are married, your spouse will be required to apply for and be listed on the lease documents and also be required to personally guarantee the lease. VFS will retain a security interest in the equipment. In the event of a default, VFS may charge interest on the unpaid amount or rent at a rate of 18% per annum plus a 10% late fee; accelerate the payment of all remaining payments on the lease, and recover the equipment. You will also be responsible for their reasonable legal fees and expense incurred in enforcing the lease terms and recovering the equipment. The lease agreement does not require you to waive defenses; however, it does require you to waive your right to a jury trial. The lease states that you are obligated to pay the lease payments without regard to any defense or counterclaim you may have. A copy of the equipment lease for VFS is included with this Disclosure Document as Exhibit B. Your lease may be prepaid at any time. However, you will still be responsible to pay the full amount of lease payments and, therefore, may not realize a savings by prepaying. Should you cease to be a franchisee prior to the completion of the lease term, another franchisee may apply to take over the remaining term of your lease. However, VFS may choose to retain your personal guarantee until the lease is paid in full. VFS does not compensate the Company for any services provided by the Company to VFS in connection with equipment leasing. We do not receive any fees from VFS for referring a franchisee to it for an equipment lease. Other equipment leasing companies may compensate us for certain services provided by us to the leasing company in connection with the equipment leasing process. We do not receive any fees from VFS for referring a franchisee to it for financing or in connection with the equipment leasing process. We may identify new leasing or finance companies and arrange for equipment leasing through other lending sources in the future. We may, and receive compensation from another lending source. ~~The Company and VFS are unrelated entities.~~

ITEM 11

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

Except as provided below, the Company is not required to provide you with any assistance.

PREOPENING OBLIGATIONS

Prior to opening your franchise to the public, we are required under the Franchise Agreement to provide the following assistance and service to you:

1. At least 14 days after we provide you with a copy of this Disclosure Document, together with a copy of any proposed agreements relating to the purchase of the franchise, After you pay to us your fully refundable deposit of \$5,500, and we begin the process of helping you find a location for your Fully Promoted Store. We do not own the location that you will lease. Your lease will be between you and the landlord. We will help you negotiate your lease. While we are not obligated to help you negotiate your lease, as noted in Item 5, you may obtain assistance from our affiliate, Franchise Real Estate. Both, you and we must approve selection of any proposed store site. We use our business experience, and also demographics of your community in helping you locate your site. However, we cannot guarantee the future. Our approval of any site does not constitute any form of guarantee that the Fully Promoted Store will be profitable at that location and you retain final approval of the site selected and leased by you. (See the Franchise Agreement Sections 3 and 4)
2. Once you select your Store location for your new Fully Promoted Store, we our affiliate, Franchise Real Estate will assist you in planning your Store layout. (See the Franchise Agreement, Section 4.D) We provide consultation and advice regarding alterations, refurbishment, renovation and decoration of the Store. We do not provide assistance with regard to conforming the premises to local ordinances and building codes nor do we provide assistance with obtaining required permits.
3. We ensure that once your build out is completed, your new Store meets our current standards. (See the Franchise Agreement, Sections 4.D and 4.G)
4. Prior to opening your Fully Promoted Store we will bring you to our national headquarters in West Palm Beach, Florida for our extensive two-week training program. We will provide you with a hotel room and a daily meal during your stay. In addition, you will undergo what we believe is the most advanced, complete and best training in our business. (We will provide additional training for your employees at your expense). (See the Franchise Agreement Section 7)
5. We assist you during your initial set up and operation of your Fully Promoted Store. We send qualified field/marketing representatives to your Store location for a minimum 80 hours during this period. (See the Franchise Agreement Section 4.F) Our representative(s) will help you with additional training, guidance on beginning your business, fitting your equipment, and other means of assistance.
6. Regardless of whether you lease your equipment, or purchase it outright, all of your equipment will come from us. In addition, we will supply you with your opening inventory and supplies, except for a few miscellaneous items as part of the equipment package. (See

the Franchise Agreement Section 4 as well as Item 8 of this Disclosure Document). We deliver your opening package to your Store location and upon its arrival assist you in setting up your Store. Your website is included with your equipment package and will be installed and activated by us.

7. We help you to locate local vendors, suppliers and contractors for the ongoing work of your Fully Promoted Store. (See the Franchise Agreement Section 4.I)
8. Included in your opening package, we provide you with a suggested bookkeeping system. (See the Franchise Agreement Section 4.J)
9. We provide you with a detailed operating manual together with other relevant manuals and written material which will aid you in the operation of your Fully Promoted Store. (See the Franchise Agreement Sections 4.K and 4.L)
10. We provide an Internet marketing launch.

COMPANY'S CONTINUING OBLIGATIONS

During the ongoing operation of your Fully Promoted Store, we are required by our Franchise Agreement to provide the following assistance and services to you.

1. We are constantly researching and developing ideas that we believe will improve our system. As we do so, we will provide you with details. In addition, we will periodically update your operating manual to reflect these alterations and/or improvements. (See the Franchise Agreement Section 5.A)
2. We will visit you in your Store periodically in order to ascertain the progress of your Fully Promoted Store and to assist you. Furthermore, you may at any time request that we send out a field/marketing representative to aid you in your business. If we have a representative available at the time of your request, we will send them at an agreed-to cost. (See the Franchise Agreement Section 5.B)
3. As of the date of this Disclosure Document, we periodically host a Fully Promoted Expo convention and may also host regional Fully Promoted meetings for our franchisees. Regional meetings would generally not be held in the same year as our Fully Promoted Expo convention. We invite vendors, suppliers and outside contractors to these meetings in order to make you aware of technological advancements and to potentially save you money on your ongoing supplies. In addition, we conduct seminars on many topics relating to your ongoing training and improved operation of your Fully Promoted Store. Furthermore, we update you on the progress of our corporation and the Fully Promoted system as a whole. In addition to our conventions, we may provide several seminars and smaller regional franchisee meetings for your benefit. All of these meetings occur from time to time at our discretion. We invite and encourage all of our franchisees to attend each of these conventions, meetings and seminars. (See the Franchise Agreement Section 5.C)
4. We will send you corporate news updates in electronic format from time to time. The corporate news updates contain useful and pertinent information relating to the ongoing operation of your Fully Promoted Store as well as money saving specials provided to you by outside vendors. (See the Franchise Agreement Section 5.D)

5. From time to time we will send you bulletins on sales and service methods, marketing development and techniques, and business and operating procedures. (See the Franchise Agreement Section 5.E)
6. We will offer you continual advice and technical assistance for all your Fully Promoted Store's equipment, hardware and software as well as for the embroidery and other processes by toll free telephone, and via the Internet. (See the Franchise Agreement Sections 5.F and G)

ADVERTISING

As of the date of this Disclosure Document, we do not conduct an advertising program for the franchise system.

We do not have an advertising council comprised of franchisees that advises us on advertising policies, although we reserve the right to form one in the future.

You must participate in any local or regional advertising cooperative that we designate. In November 2001, an advertising cooperative controlled by franchisees was formed as a Florida not for profit corporation under the name of EmbroidMe.Com Advertising Fund, Inc. In March 2017, the name of the advertising cooperative was changed to Fully Promoted Advertising Fund, Inc. (the "Fund"). All new Fully Promoted franchisees with a store in the United States, including those acquiring existing stores, must join and participate in the Fund. The Fund is organized on a membership basis with each Fully Promoted franchisee being a member and having voting rights. You are required to pay a marketing fee equal to 1% of your gross revenues to the Fund, an advertising fund which is operated through a separate, non-profit Florida corporation, incorporated in November 2001 (the "Fund"). (See Items 6, 8 & 9 of this Disclosure Document) This fee will be collected by automatic withdrawal from your designated bank account on the first day of each month based on your sales for the prior month. This monthly fee can be increased in the future, or decreased annually by the Board of Directors of the Fund but cannot be greater than 1% of your gross revenues unless approved by a vote of 75% of the franchisees present and voting at a meeting of the members of the Fund. (See Section 10.C of the Franchise Agreement) If we were to open any company-owned stores, such stores would pay the same marketing fee as a new franchisee at that time.

The Fund shall use the marketing fees paid by franchisees for national advertising, pay per click and Internet advertising, search engine optimization and web hosting and development. The sources used by the Fund may be in-house, or national or regional agencies. Assets of the Fund cannot be used to solicit new franchisees for the Company. There is no obligation to use the assets of the Fund to spend any amount in your Designated Territory.

The Fund is organized on a membership basis with each franchisee being a member and having voting rights. The Board of Directors of the Fund consists of seven voting members elected to 2-year terms by the franchisee members and one non-voting representative of our Company. The officers of the Fund must be incumbent members of the Board of Directors and are elected annually by the Board of Directors. The Board of Directors is responsible for the general supervision of the Fund and approves all marketing plans for the Fund. The By-laws of the Fund provide that the Board of Directors may hire an executive administrator to manage the financial and administrative functions of the Fund and an advertising agency to advise the Fund with regard to marketing campaigns, to assist in the development of advertising materials and to buy media time or space. It is presently contemplated that the marketing department of the Company will perform these functions for the Fund until such time as the Fund has grown to a size to justify the hiring of such

~~personnel. We will be reimbursed by the Fund for performing these functions in an amount to be negotiated with the Board of Directors of the Fund. We will also be reimbursed at cost by the Fund for any monies advanced by us to purchase materials or outside services for advertising or promotional programs of the Fund.~~

During calendar year ~~2016~~2015, expenditures by the Fund by category were as follows: advertising purchases ~~86.78~~4.8%, and administrative fees ~~13.31~~4.8% ~~and banking and other fees 0.4%.~~ A copy of the un-audited financial statement of the Fund will be supplied to every franchisee upon request. ~~A copy of the Fund's By laws will be provided upon request to a franchisee.~~

We reserve the right to require cooperatives to be formed, changed, dissolved or merged. You are not required to participate in any other advertising fund.

You will be responsible for all of your own direct marketing and local advertising of the business. You must expend at least an amount equal to 5% of all gross revenues on direct marketing or local advertising (including public relations) in each year. Of that 5%, at least half must be spent on digital advertising such as online advertising, pay per click, search engine optimization of your website and mobile marketing, or then current digital technology. For the purposes of this paragraph, the term "direct marketing or local marketing" shall mean all marketing and public relations costs, advertising and promotions effected through the medium of the Internet, mobile marketing, email and other digital communications media, local radio or television broadcasts, newspapers, periodicals, billboard advertising, sales commissions and public relations. Upon our request, you must submit to us an accounting of the monies you have spent, together with copies/proof of all marketing. We will not unreasonably withhold approval of any marketing materials that you propose to use, if your materials are factually accurate and current, conform to the highest standards of ethical marketing and all applicable laws and regulations, and are in good taste and accurately depict the Fully Promoted Marks. Our review and approval of your marketing materials is not a warranty of any kind. You are responsible for ensuring that your materials are factually accurate and current, and all materials and activities conform to the highest standards of ethical marketing and applicable laws and regulations.

The Company also believes in and encourages you to participate in cooperative advertising where available. Although we do not currently do so, we also reserve the right to require regional marketing cooperatives to be formed, changed, dissolved or merged.

COMPUTER HARDWARE AND SOFTWARE SYSTEMS

You must install computer systems meeting our standards, as modified from time to time in response to business, operations and market conditions. The computer hardware and software systems described below are included in Schedule A to the Franchise Agreement. The cost of this hardware and software is \$9,488, which is included in the Schedule A equipment package price.

GRAPHIC DESIGN STATION

The **Graphic Design Station** consists of a high speed graphics card and Intel Quad- Core Processor, 16GB Ram and large capacity SATA 3 hard drive with a high resolution LCD monitor. This station features a network interface card, a keyboard and mouse set, a multi speed DVD/CD-RW Drive, all necessary cables, switches and installation. This computer also has a warranty of Onsite/In-Home Service after remote diagnosis for 3-years.

POINT OF SALE STATION

The **Point of Sale Station** consists of a high speed Intel processor and a **high resolution LCD monitor**. This station features a large capacity hard drive, a keyboard and mouse set, a multi speed DVD/CD-RW Drive, soundcard, all necessary cables, switches and installation. This station operates the **Business Management Software P.O.S. (Point of Sale)**.

P.O.S. STATION LASER PRINTER

Invoices, quotation forms and record keeping reports are easily generated on this black and white laser printer that is linked to your **Point of Sale Station**.

MANAGEMENT COMPUTER

The **Management Computer Station** consists of a high speed Intel processor and a **high resolution LCD monitor**. This station features a large capacity hard drive, a keyboard and mouse set, a multi speed DVD/CD-RW Drive, soundcard, all necessary cables, switches and installation.

MARKETING TABLET

You will use a **Marketing Tablet** with Wi-Fi capabilities in your sales and marketing for the business.

NETWORK PRINTER

A Multi-Function **Wireless** printer/fax/scanner is networked to the work stations' computers to print documents and pricing information. It makes short run copies, sends and receives faxes and scans documents to your computers.

IN STORE COMPUTER NETWORK & SWITCH

This upgrade to your computers allows you to share your printers and files over a computer network. The switch allows you to share files, and internet access over all the stores' computers. (DSL or Cable modem not included – Local Internet Service Provider required.)

The Franchise Agreement allows us to require you to upgrade your equipment at least once every three years without limitation on the cost of the upgrade. The annual cost of maintenance or upgrades to the computers and printers described above is approximately \$750.

GRAPHIC DESIGN SOFTWARE PACKAGE

This package includes clip art and fonts for custom designs for heat transferred, promotional products and screen-printed items.

EMBROIDERY SOFTWARE

Included in this package is the **Embroidery Software** with a collection of embroidery fonts, which is used to design, edit and produce stitched designs for your customers.

CUSTOMIZED BUSINESS SOFTWARE

The **Business Management Software P.O.S. (Point of Sale)** is utilized to quickly and accurately price your customers' orders. In addition, your Business Management Software P.O.S. provides you with automated invoicing and customer tracking. The **Accounting Software** can be used to record monthly sales & expenses, generate business reports and customer mailing lists. The entire package has been designed to help your business run smoothly and efficiently. A monthly subscription is required for your maintenance and updates.

PROMOTIONAL PRODUCT SOURCING SOFTWARE

This software will allow you to source promotional products by company name, keywords and price. Your first year is provided in the purchase of the equipment package and includes a PPAI membership. A continued yearly subscription is required for your maintenance and hosting.

MICROSOFT OFFICE 365 BUSINESS SUBSCRIPTION

One (1) year of **Microsoft Office 365 Business** subscription for 3 users includes the latest Desktop and Web version of Outlook, Word, Excel and PowerPoint. One license covers 5 phones, 5 tablets & 5PC's or MAC's per user. 1TB file storage and 24/7 phone & web support. The subscription will help simplify your business with the ability to collaborate with your team, store files online, and give you the latest version of Microsoft Office Programs where and when you need them. A continued yearly subscription is required for your maintenance and hosting.

You will also receive access to our proprietary vendor/product-listing program known as UFG Hub, which is used to easily sort vendor or product information with the click of a mouse. Internet based software such as the promotional product sourcing software, email, and your website software will require a yearly renewal fee at the then current rate. (See Item 6 of this Disclosure Document).

~~Our~~ We are required to offer you advice, support and technical assistance for all of your computer hardware and software by toll-free telephone and via the Internet. (See the Franchise Agreement Section 5). We maintain a technical support crew ~~will support all of these programs in addition to~~ for this purpose. We provide maintenance services for your point of sale software. As a part of the continuing subscriptions you purchase for your Microsoft Office 365 Software, Business Management (point of sale) Software and Promotional Product Sourcing Software, the companies that ~~produce them~~ offer these subscriptions are required to maintain, host and update the software programs. Neither we, nor our affiliates or any third party have an obligation to repair or upgrade your computer hardware or software, although some repairs of your computerized equipment may be provided by the equipment manufacturer under a warranty. None of our software may be substituted. In addition, the Franchise Agreement allows us to require you to upgrade your software, and there are no contractual limitations on the frequency and cost. (See the Franchise Agreement Section 6)

We will have independent access to the information and data that is electronically collected in the P.O.S. system. There are no contractual limitations on our right to access this information.

We may modify our specifications for computer hardware and software systems and introduce new computer hardware and software systems. There are no contractual limitations on the frequency and cost of implementing modifications to our specifications for computer hardware and software systems.

SELECTION OF YOUR FULLY PROMOTED STORE LOCATION

In assisting you to locate your Store site, we analyze extensive demographic information regarding your community. Our Regional Vice President assesses the demographics and then visits potential sites in your area with you. We generally will respond within 30 days of your request for approval of a proposed site. If we do not approve the site you proposed, we will allow you to examine alternative sites for your Store. Approval must be obtained and operations must commence within 180 days of the date of the Franchise Agreement. While we will not unreasonably withhold our approval of a site, if we cannot agree with you on a site, you may forfeit your initial franchise fee. The Franchise Agreement does not have any provision that addresses termination if you do not select a site within a prescribed period. We may terminate the Franchise Agreement, however, if you have not commenced operation of the Fully Promoted Store from an approved site within 180 days from the date of the Franchise Agreement unless the period is extended by us.

You may locate your own site rather than utilizing our assistance. However, you and the Company must mutually agree on your location prior to opening. Our approval is not a warranty or a guarantee of your success at your selected location, and you retain final approval of the site selected and leased by you.

We consider some of the following factors when assessing the acceptability of a store location:

- Population volume
- Business and commercial enterprises readily available
- Commercial income
- Competitive analysis
- Accessibility by car
- Accessibility by walk in traffic
- Financial institutions in the area
- Accessibility to Post Office, Banks and other businesses
- General cleanliness and security of the area
- Parking
- Sign exposure
- Square footage
- Rent
- Visibility
- Traffic
- Proximity to other Fully Promoted stores
- Condition of premises
- Cost of construction
- Length of construction time
- Surrounding tenants and landlord
- and others

We obtain our demographic information from some of the following sources:

- The U.S. Post Office
- Your local, state, national and international Chambers of Commerce
- Your local Better Business Bureau
- Newspaper
- Building and Development Departments
- Physical Inspections and Business Counts
- Professionally performed demographic surveys.
- Local business (traffic counts from next door neighbors).

A Fully Promoted franchisee is required to select their store location prior to attending our franchisee training school. Typically, during the two-week training period, either your landlord or professionals we hire are building out your Store location. The typical franchisee goes straight from training to their store location. The total time from the signing of the Franchise Agreement to the opening of a new Store location is typically two to four months. Factors that may affect this time period include the ability to procure and install equipment and computers, make acceptable financial arrangements, obtain any required approvals in zoning and/or building permits, as well as resolve other factors bearing on construction.

TRAINING PROGRAM

Prior to opening your Fully Promoted Store, you must attend and complete to our satisfaction the extensive training program held at our corporate headquarters in West Palm Beach, Florida. The training program must be completed at least one week prior to the opening of your business. If you purchased a new store, your training fees are covered in your initial franchise fee. If you purchased a resale, then your training fee was either paid by the seller out of the proceeds of the sale or by you ~~out of the proceeds of the sale~~. We will pay for your transportation to and from West Palm Beach, your hotel and one daily meal for the duration of the two-week training period. An additional trainee may attend the training program with you for a fee of \$225 per person and you will be responsible for their travel, lodging and meals expense.

Our training program will be offered twelve times during ~~2016~~2017. Although it is not required, you may attend a refresher-training program or send your representative to be trained at any time in the future. All you have to do is pay your travel, lodging, meals and a training fee if charged at that time. For a complete list of your rights and obligations under your Franchise Agreement in regard to training, please consult the Franchise Agreement Sections 7 and 8.

The instructional materials used in our training program include a workbook, PowerPoint presentations and video presentations.

~~Monica Markulin is a training instructor for the Company. She joined the Company in 2001 after working in the embroidery industry for 16 years. At the Company she has been a training instructor and technical advisor. Ronnie Fairlie is a training instructor for the Company. He joined the Company in 2006 and has been in the branded apparel industry for 13 years. He has also worked for the Company as a new store set up coordinator and an operations advisor.~~

TRAINING PROGRAM

SUBJECT	CLASSROOM HOURS	ON THE JOB HOURS	LOCATION
Introduction/Orientation	2	0	West Palm Beach
Business Planning ³	2	1	West Palm Beach
Sales ²	6	2	West Palm Beach
Goals Setting ³	1.5	1	West Palm Beach
Time Management ^{1, 3}	1	1	West Palm Beach
Pricing ²	5	5	West Palm Beach
Project Management ³	1.5	0	West Palm Beach
Production ¹	5	4	West Palm Beach
Products/Suppliers ¹	8	8	West Palm Beach
Customer Service/Retention ^{3, 2}	2	2	West Palm Beach

SUBJECT	CLASSROOM HOURS	ON THE JOB HOURS	LOCATION
Financial Management ³	5	3	West Palm Beach
Operations Overview ^{3, 2}	2	0	West Palm Beach
Marketing ²	7	3	West Palm Beach
Personnel ³	4	0	West Palm Beach
Internet Marketing	3	1	West Palm Beach
Totals	55	31	

¹Production end of the business

- How to design
- How to put projects together
- How to sell to a walk-in customer
- What materials to use for different orders

²Marketing and promotion of the business

- Basic sales principles
- How to price different leads for apparel sales
- Learning about products sold but not made at your location
- Dealing with outside apparel vendors
- How to price leads for digital marketing services
- How to price leads for print services
- Conducting client marketing assessments
- Direct marketing and sales techniques and process

³Business management end of the business

- How to schedule jobs and organize production flow
- Doing the bookkeeping for the business
- Franchisor support services
- Working with third party providers and ordering products and services

All of the training hours listed above (86 hours) are provided in our training facility in West Palm Beach, Florida. If a production employee is sent to school, 20 hours of on-the-job production training is substituted for certain classroom hours. Our field representatives provide additional training during the initial set-up of your store. (See Franchise Agreement, Section 4.F)

Our initial and continuing training programs disclosed above are provided so that you and your representatives receive the benefit of our accumulated experience and knowledge relating to the Fully Promoted business and to ensure a uniform image and uniform quality of services in all Fully Promoted Stores. You are solely responsible for training your own representatives and employees. We are not

an employer, co-employer or joint employer with you of your employees. You are solely responsible for all employment matters, decisions and relationships.

OPERATING MANUAL

A copy of the table of contents of our Operations Manual is attached to this Disclosure Document as Exhibit F. The Operations Manual contains 314 pages.

ITEM 12

TERRITORY

You are granted the right to operate a Fully Promoted Business from your Store site within a Designated Territory. Your Designated Territory will be a geographic area around the premises of your Fully Promoted Store. The area may consist of a specific mile radius or other area defined by city limits, highways or streets, zip codes, or other similar factors as we may determine. There is no minimum size for a Designated Territory and the size of Your Designated Territory will vary depending on the population and business counts.

During the term of your Franchise Agreement, we will not ~~establish~~^{open} either a company or affiliate owned “Fully Promoted” business, or another “Fully Promoted” franchise within your Designated Territory. We will not modify your Designated Territory without your written permission, provided that you are in complete compliance with the terms and conditions of your Franchise Agreement.

The continuation of your franchise and your Designated Territory is not specifically dependent upon the penetration of the potential market, any sales performance target or any other contingencies, although, in the future, we may establish performance standards for any national or commercial accounts for the Fully Promoted system. Those standards will be communicated to you through the Operating Manual or otherwise in writing.

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets we own, or from other channels of distribution or competitive brands that we control. You should be aware that certain Signarama franchisees licensed by our affiliate, Sign*A*Rama Inc., offer and sell advertising specialties and other products that will be similar to the products and services you provide to your customers. These products should be a small part of their business, if at all, because they are in the retail sign business.

Although we do not do any of the following, as of the date of this Disclosure Document, we or our affiliates reserve the right in your Designated Territory to establish and/or operate (i) franchises or company-owned businesses other than a marketing services and branded products business under any trademarks or trade names; (ii) contract marketing services and branded products houses/businesses under any trademarks except the Fully Promoted Marks, although these contract houses will not focus on retail customers; and (iii) similar franchised or company-owned marketing services and branded products businesses under any trademark or trade name other than the Fully Promoted name but only if these businesses are acquired as part of a merger or acquisition with another local, regional or national chain or system. We also reserve the right to develop and operate and to franchise or license others to develop and operate the Fully Promoted Business at any location outside your Designated Territory. Because another Fully Promoted store may be located immediately outside your Designated Territory, the designated territories for two Fully Promoted stores could overlap and could compete for customers. We are not required to compensate you for soliciting or accepting orders from customers located within your Designated Territory.

There are no restrictions imposed on you that prohibit you from soliciting business from customers located outside of your Designated Territory and you have the right to use other channels of distribution, such as the Internet, catalog sales, telemarketing, or other direct marketing sales to make sales of products and services outside of your Designated Territory, except you may not use Internet tools such as search engine optimization for the purpose of promoting your business in the designated territory of another Fully Promoted franchisee without our written consent. You also cannot use domain names that indicate a business location outside of your Designated Territory.

You may relocate your Fully Promoted Store under the following conditions:

1. Prior to relocation, you submit your request in writing to us.
2. You must not be in default of the terms of your Franchise Agreement.
3. We will evaluate your request with respect to the proximity of your proposed location to other marketing services and branded products businesses (both Fully Promoted Stores and competitors) as well as demographic information.

You have no options, right of first refusal or similar rights to acquire an additional franchise within any particular territory, although you may ask us at any time to purchase additional franchises. You will be granted an additional franchise based on the following:

1. Whether or not you are currently in default or have been in default of any part of your Franchise Agreement;
2. Your financial history and the financial stability of your existing location; and your experience managing your existing location.

ITEM 13

TRADEMARKS

The Franchise Agreement licenses you to use our proprietary trademarks, service marks, trade names, trade dress and commercial symbols (collectively, the “Marks”). You may not use any of the Marks as part of your corporate or business entity name. We are the owner of the Marks listed below. We do not have a federal registration for the Fully Promoted Marks listed below. Therefore, the Fully Promoted Marks do not have as many legal benefits and rights as a federally-registered trademark. If your right to use the Fully Promoted Marks is challenged, you may have to change to an alternative mark for your business which may increase your expenses. We have a federal registration for the EmbroidMe Mark. All required affidavits for the EmbroidMe Mark have been filed. The registration of the EmbroidMe Mark has been renewed. We also claim common law trademark rights for all the Marks you will use in the operation of your Fully Promoted Business.

Trademark, Service Mark or Design	U.S. Reg. Or App. No.	Principal/ Supplemental Register	Date of Registration or <u>Application</u>	Comment

FULLY PROMOTED	<u>Serial No.:</u> <u>87308598</u>	<u>—Principal</u>	<u>—Application</u> <u>Date:</u> <u>1/20/2017</u>	Application to be filed
 FULLY PROMOTED Branded Products & Marketing Services	<u>—Serial No.:</u> <u>87308821</u>	<u>—Principal</u>	<u>—Application</u> <u>Date:</u> <u>1/20/2017</u>	Application to be filed
EMBROIDME	2,759,315	Principal	<u>Registration</u> <u>Date:</u> <u>9/2/2003</u>	Registered

We will notify you in writing (through the Operating Manual or otherwise) which Marks you are licensed to use. Your use of the Marks and any related goodwill is to our exclusive benefit and you retain no rights in the Marks. You retain no rights in the Marks upon termination of the Franchise Agreement. You are not permitted to make any changes or substitutions of any kind in or to the use of the Marks unless we direct in writing.

There are no currently effective determinations of the Patent and Trademark Office, Trademark Trial and Appeal Board, the trademark administrator of any state or any court, or any pending infringement, opposition or cancellation proceeding, or any pending material litigation, involving the principal Marks. All required affidavits have been filed. There are no superior prior rights in the Marks or infringing uses actually known to us that could materially affect your use of the Marks. There are currently no agreements in effect that significantly limit our rights to use or license the use of any Marks in any manner material to the franchise.

We are not required to protect you against infringement or unfair competition claims arising out of your use of the Marks, or to participate in your defense and/or indemnify you. We reserve the right to control any trademark litigation and will be the sole judge as to whether suit will be brought or settled in any instance when any person or entity infringes the Marks. You must notify us promptly of any infringement or unauthorized use of the Marks that you become aware of and to cooperate with any action that we undertake. If any party claims that its rights to use any of the Marks are superior and if we determine that the claim is valid, you must, at your expense, immediately make the changes and use the substitutions to the Marks as we require.

If we require, you must modify or discontinue the use of any Mark and use other trademarks or service marks we designate. We do not have to reimburse you for modifying or discontinuing the use of a Mark or substituting another trademark or service mark for a discontinued Mark. If we adopt and use new or modified Marks, you must add or replace supplies, materials, signs, fixtures and equipment (as applicable) and make other modifications we designate as necessary to adapt your business for the new or modified Marks. These changes may require additional investment to conform your business to changes to the Marks and other System modifications. We do not reimburse you for any loss of goodwill associated with a modified or discontinued Mark.

ITEM 14

PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

We do not grant you the right to use any item covered by a patent and we have no patent applications pending which are material to the franchise. We do communicate to you, and permit you to use many trade secrets and confidential information that are included in our Operating Manual, our method of pricing and our vendor list. See Item 11. Although we have not filed an application for copyright registration for these materials, they are proprietary and we do claim a copyright to them and other similar materials you will use in your business. You can only use this information in conjunction with your Fully Promoted Store. We do not permit any other use. You must comply with all changes to the Operating Manual. You must notify us immediately if you learn about any unauthorized use of our confidential information. We will determine the appropriate response as to any unauthorized use of the confidential information.

ITEM 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

You are not required to sign a personal guarantee, however, you are required to personally sign the Franchise Agreement, even if you form a corporation, partnership or other business entity for the operation of the franchise. If you form a corporation or other business entity, you will sign the Franchise Agreement both personally and on behalf of the business entity as an officer or director of the company. If you form a partnership, you and your partners will sign the Franchise Agreement personally. If you are an individual, you must directly supervise and manage your Fully Promoted Store. If you are a corporation, partnership or other business entity, a principal, general partner or your fully trained manager must devote full-time and best efforts to the management and operation of the Fully Promoted Store. The Fully Promoted Store must at all times be under the direct on premises supervision of someone who has completed our training program. You must also maintain a competent, conscientious, neat and trained staff where applicable.

We do not have the right to approve or disapprove of your choice for manager, although the manager must satisfactorily complete our training program. Your manager is not required to have an equity interest in your business. Your manager must sign an confidentiality agreement which is the same as or similar to the Nondisclosure and Non-Competition Agreement attached as Exhibit K, agreeing to maintaining the confidentiality of our trade secrets and other proprietary information described in Item 14, and abide by the non-compete covenants described in Item 17 which are valid for two years after the termination of their employment. You may send any employees at any time for training under the terms of your Franchise Agreement and as outlined in Item 11 of this Disclosure Document.

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

We require you to offer and sell only goods and services that we have approved but there is no obligation to provide all of the services and goods authorized by us. There are no limits on our right to make modifications to the approved goods and services from time to time as set forth in the Operating Manual or otherwise in writing.

Our Franchise Agreement does not require you to fix a specified or minimum price for any goods or services sold. We produce a suggested pricing list that you may change to adapt to your local market conditions and competition. Before adjusting any pricing though, we strongly urge you to conduct a survey of local competition and pricing and submit this survey in writing for us to analyze. We will return the survey to you with full comments for your benefit. You will retain sole and absolute discretion in all product-pricing matters.

You are not limited in the customers to whom you may sell products and services in your Designated Territory. We encourage you to respect the clientele of other Fully Promoted stores and franchisees.

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ITEM 17

RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

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

THE FRANCHISE RELATIONSHIP

	Provision	Section in Franchise or Other Agreement	Summary
a.	Length of franchise term	Section 2.A	35 Years
b.	Renewal or extension of the term	Section 2.B	35 Years
c.	Requirements for franchisee to renew or extend	Sections 2.C, 2.D and 2.E	Be in full compliance with existing agreement; remodel; pay \$1,500 renewal fee; sign new <u>franchise</u> agreement which may contain materially different terms and conditions than your original <u>franchise</u> agreement; and sign releases.
d.	Termination by franchisee	None	Not applicable
e.	Termination by franchisor without cause	None	Not applicable
f.	Termination by franchisor with cause	Section 16	We can terminate only if you default.
g.	“Cause” defined – curable defaults	Section 16	You have 15 days to cure a non-payment of amounts due and owing, and 30 days to cure a non-compliance with our requirements and specifications regarding products and services, or any other default not listed in Section 16 of the Franchise Agreement.

	Provision	Section in Franchise or Other Agreement	Summary
h.	“Cause” defined – non-curable defaults	Section 16	Non-curable defaults: failure to commence business within 180 days from date of Franchise Agreement, failure to keep open, falsification of franchise application, insolvency and bankruptcy, commencement of dissolution proceedings, unsatisfied or unbonded judgment, falsification of books, records or reports, 2 or more prior defaults in 12 consecutive months, unauthorized assignment, and communication of proprietary information to competitor.
i.	Franchisee’s obligations on termination/non-renewal	Section 17	Obligations include provide us with list of customers, invoices, address card file and business cards, payment of all amounts due, return Operating Manual and other proprietary materials, discontinue use of copyrighted materials and all items identifying our marks or name, assign contracts with customers, change or assign telephone numbers and non-compete.
j.	Assignment of contract by franchisor	Section 15.I	No restriction on our right to assign.
k.	“Transfer” by franchisee - defined	Section 15.G	Includes sale of the business, transfer of beneficial interest in franchisee (if a business entity) or in the Franchise Agreement.
l.	Franchisor approval of transfer by franchisee	Section 15.A	We retain the right to approve all transfers but will not unreasonably withhold approval.
m.	Conditions for franchisor approval of transfer	Section 15.C	Qualified purchaser, training completed, execution of new franchise agreement, payment of transfer fee, not in default, and payment of all costs and obligations.

	Provision	Section in Franchise or Other Agreement	Summary
n.	Franchisor's Right of First Refusal to Acquire franchisee's business	Sections 15.E and 15.F	We can match any offer.
o.	Franchisor's option to purchase franchisee's business	Section 17.G	Upon expiration or termination, we can buy certain assets at a price equal to your cost or fair market value, whichever is less.
p.	Death or disability of franchisee	Section 15.H	The Franchise Agreement is transferable without additional fee or penalty, subject to Company approval, which shall not be unreasonably withheld.
q.	Non-competition covenants during the term of the franchise	Section 6.X	No involvement in any other business, except with prior written consent of Company.
r.	Non-competition covenants after the franchise is terminated or expires	Section 17.F	No competing business for 2 years within 25 miles of former location or any other Fully Promoted store
s.	Modification of the agreement	Sections 18 and 26.H	No modifications generally but Operating Manual subject to change.
t.	Integration/merger clause	Sections 18 and 26.H	Only terms of the Franchise Agreement <u>and other related written agreements</u> are binding (subject to state law). Any <u>representations or other promises outside of the Disclosure Document and Franchise Agreement</u> may not be enforceable. No term, or condition <u>or claim</u> contained in the any F franchise Agreement is intended to disclaim the express representations made in this Disclosure Document.
u.	Dispute resolution by arbitration or mediation	Section 25	Binding arbitration; may choose non-binding mediation prior to arbitration.
v.	Choice of forum	Sections 25.F and 26.D	Your home state for non-binding mediation; Palm Beach County, Florida for arbitration and litigation. (subject to applicable state law)

	Provision	Section in Franchise or Other Agreement	Summary
w.	Choice of law	Section 26.E	Florida law applies (subject to applicable state law)

ITEM 18

PUBLIC FIGURES

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

ITEM 19

FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about the actual financial performance of its franchises and/or franchisor-owned units, 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 Jill Klein, General Counsel, 2121 Vista Parkway, West Palm Beach, FL 33411, 561-640-5570, the Federal Trade Commission and the appropriate state agencies.

ITEM 20

OUTLETS AND FRANCHISEE INFORMATION

Table 1

**System-Wide Outlet Summary
For Years ~~2013-2014~~ to ~~2015~~2016***

Column 1	Column 2	Column 3	Column 4	Column 5
Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2013	295	279	-16

	2014	279268	265	-14-3
	2015	265	270267	+5+2
	2016	<u>267</u>	<u>275</u>	<u>+8</u>
Company-Owned	2013	0	0	0
	2014	0	0	0
	2015	0	0	0
	2016	<u>0</u>	<u>0</u>	<u>0</u>
Total Outlets	2013	295	279	-16
	2014	279268	265	-14-3
	2015	265	270267	+5+2
	2016	<u>267</u>	<u>275</u>	<u>+8</u>

* All numbers are as of December 31, 2014, 2015 and 2016. The numbers are for Fully Promoted franchisee stores in the United States and internationally.

Table 2

**Transfers of Outlets from Franchisees to New Owners (Other Than the Franchisor)
For Years ~~2013~~2014 to ~~2015~~2016***

State	Year	Number of Transfers
<u>Arizona</u>	<u>2014</u>	<u>0</u>
	<u>2015</u>	<u>1</u>
	<u>2016</u>	<u>0</u>
California	2013	0
	2014	1
	2015	0
	<u>2016</u>	<u>1</u>
Colorado	2013	1
	2014	0
	2015	0
	<u>2016</u>	<u>4</u>
Florida	2013	1
	2014	1 2
	2015	<u>1</u> 2
	<u>2016</u>	<u>4</u>
Illinois	2013	0
	2014	1
	2015	1
	<u>2016</u>	<u>0</u>
Iowa	2013	0
	2014	1
	2015	0
	<u>2016</u>	<u>0</u>
Louisiana	2013	0
	2014	0
	2015	1
	<u>2016</u>	<u>1</u>
Maryland	2013	0
	2014	1
	2015	1

	2013	<u>1</u>
Massachusetts	2013	<u>2</u>
	2014	<u>0</u>
	2015	<u>0</u>
	2016	<u>0</u>
Michigan	2013	<u>1</u>
	2014	<u>0</u>
	2015	<u>0</u>
	2016	<u>0</u>
Minnesota	2013	<u>0</u>
	2014	<u>1</u>
	2015	<u>1</u>
	2016	<u>0</u>
Mississippi	2013	<u>1</u>
	2014	<u>0</u>
	2015	<u>0</u>
	2016	<u>0</u>
Nevada	2013	<u>0</u>
	2014	<u>0</u>
	2015	<u>0</u>
	2016	<u>0</u>
New Hampshire	2013	<u>0</u>
	2014	<u>0</u>
	2015	<u>0</u>
	2016	<u>1</u>
State	Year	Number of Transfers
New York	2013	<u>0</u>
	2014	<u>0</u>
	2015	<u>10</u>
	2016	<u>0</u>
North Carolina	2013	<u>0</u>
	2014	<u>0</u>
	2015	<u>2</u>
	2016	<u>2</u>
Ohio	2013	<u>1</u>
	2014	<u>0</u>
	2015	<u>0</u>
	2016	<u>1</u>
Texas	2013	<u>0</u>
	2014	<u>0</u>
	2015	<u>34</u>
	2016	<u>1</u>
Virginia	2013	<u>1</u>
	2014	<u>0</u>
	2015	<u>1</u>
	2016	<u>0</u>
Washington	2013	<u>1</u>
	2014	<u>0</u>
	2015	<u>1</u>
	2016	<u>0</u>
West Virginia	2013	<u>1</u>
	2014	<u>0</u>

	2015	0
	2016	
Wisconsin	2013	0
	2014	0
	2015	0
	2016	<u>1</u>
Total USA	2013	9
	2014	<u>69</u>
	2015	14
	2016	<u>13</u>
Total Int'l	2013	<u>1</u>
	2014	5
	2015	<u>23</u>
	2016	<u>3</u>

* All numbers are as of December 31, 2014, 2015 and 2016. The numbers are for Fully Promoted franchisee stores in the United States and internationally. States not listed had no transfer activity to report during the relevant time period.

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Table 3
Status of Franchised Outlets
For Years 20132014 to 20152016*

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
Alabama	2013	<u>2</u>	0	0	0	0	<u>1</u>	<u>1</u>
	2014	1	0	0	0	0	0	1
	2015	1	1	0	0	0	0	2
	2016	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
Arizona	2013	<u>2</u>	0	0	0	0	0	<u>2</u>
	2014	<u>23</u>	0	0	0	0	0	<u>23</u>
	2015	<u>23</u>	0	0	0	0	0	<u>23</u>
	2016	<u>3</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4</u>
Arkansas	2013	<u>1</u>	0	0	0	0	0	<u>1</u>
	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	1	0
	2016	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
California	2013	24	0	0	0	0	<u>7</u>	<u>17</u>
	2014	17	1	1	0	0	2	15
	2015	15	2	0	0	0	3	14
	2016	<u>14</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>14</u>
Colorado	2013	4	0	0	0	0	<u>1</u>	<u>3</u>
	2014	3	0	0	0	0	0	3

		2015	<u>3</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4</u>
		2016	<u>4</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4</u>
	Connecticut	2013	<u>4</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4</u>
		2014	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>0</u>
		2015	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
		2016	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	Florida	2013	<u>16</u>	<u>3</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4</u>	<u>18</u>
		2014	<u>18</u>	<u>12</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>32</u>	<u>16</u>
		2015	<u>16</u>	<u>2</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>17</u>
		2016	<u>19</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>18</u>
	Georgia	2013	<u>5</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4</u>	<u>4</u>
		2014	<u>4</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>10</u>	<u>3</u>
		2015	<u>3</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>	<u>1</u>
		2016	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	Hawaii	2013	<u>2</u>	<u>4</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>
		2014	<u>3</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>
		2015	<u>3</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>2</u>
		2016	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
	Idaho	2013	<u>4</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4</u>
		2014	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
		2015	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
		2016	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	Illinois	2013	<u>9</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4</u>	<u>8</u>
		2014	<u>8</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>8</u>
		2015	<u>8</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>9</u>
		2016	<u>9</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>10</u>	<u>10</u>
	State	Year	Outlets at Start of Year	Outlets Opened	Termina -tions	Non- Renewals	Reacquired by Franchisor	Ceased Operations- Other Reasons	Outlets at End of the Year
	Indiana	2013	<u>5</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5</u>
		2014	<u>5</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5</u>
		2015	<u>5</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6</u>
		2016	<u>6</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>5</u>
	Iowa	2013	<u>4</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4</u>
		2014	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
		2015	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
		2016	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	Kansas	2013	<u>3</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>
		2014	<u>3</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>
		2015	<u>3</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>3</u>
		2016	<u>3</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>
	Kentucky	2013	<u>3</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>
		2014	<u>3</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>
		2015	<u>3</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>2</u>
		2016	<u>2</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>
	Louisiana	2013	<u>4</u>	<u>4</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4</u>	<u>4</u>
		2014	<u>4</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4</u>
		2015	<u>4</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4</u>
		2016	<u>4</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>3</u>

Maryland	2013	40	0	0	0	0	5	5
	2014	56	1	0	0	0	0	67
	2015	67	1	0	0	0	0	78
	2016	8	0	0	0	0	0	8
Massachusetts	2013	7	2	0	0	0	4	8
	2014	78	01	0	0	0	3	5
	2015	5	0	0	0	0	0	5
	2016	5	0	0	0	0	1	4
Maine	2013	4	0	0	0	0	4	0
	2014	0	0	0	0	0	0	0
	2015	0	0	0	0	0	0	0
	2016	0	0	0	0	0	0	0
Michigan	2013	7	0	0	0	0	2	5
	2014	5	0	0	0	0	1	4
	2015	4	0	0	0	0	0	4
	2016	4	0	0	0	0	0	4
Minnesota	2013	6	0	0	0	0	4	5
	2014	5	0	0	0	0	1	4
	2015	4	0	0	0	0	0	4
	2016	4	0	0	0	0	0	4
Mississippi	2013	0	4	0	0	0	0	4
	2014	1	0	0	0	0	1	0
	2015	0	0	0	0	0	0	0
	2016	0	0	0	0	0	0	0
Missouri	2013	4	4	0	0	0	0	2
	2014	2	0	0	0	0	1	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
Nebraska	2013	0	0	0	0	0	0	0
	2014	0	0	0	0	0	0	0
	2015	0	0	0	0	0	0	0
	2016	0	0	0	0	0	0	0
Nevada	2013	4	0	0	0	0	0	4
	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
New Hampshire	2013	3	4	0	0	0	2	2
	2014	2	0	0	0	0	0	2
	2015	2	1	0	0	0	0	3
	2016	3	0	0	0	0	0	3
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
New Jersey	2013	8	2	0	0	0	2	8
	2014	8	0	0	0	0	1	7
	2015	7	0	0	0	0	1	6
	2016	6	0	0	0	0	0	6
New Mexico	2013	4	0	0	0	0	0	4
	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1

New York	2013	12	1	1	0	0	2	10
	2014	10	1	1	0	0	1	9
	2015	9	0	1	0	0	0	8
	2016	8	1	0	0	0	1	8
N. Carolina	2013	10	1	0	0	0	3	8
	2014	86	01	1	0	0	21	5
	2015	5	0	0	0	0	0	5
	2016	5	0	0	0	0	0	05
North Dakota	2013	0	1	0	0	0	0	1
	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
Ohio	2013	11	1	0	0	0	2	10
	2014	1011	0	0	0	0	01	10
	2015	10	0	0	0	0	0	10
	2016	10	0	0	0	0	0	10
Oklahoma	2013	1	0	0	0	0	0	1
	2014	1	1	0	0	0	0	2
	2015	2	0	0	0	0	0	2
	2016	2	0	0	0	0	0	2
Pennsylvania	2013	3	0	0	0	0	1	2
	2014	2	0	0	0	0	0	2
	2015	2	0	0	0	0	1	1
	2016	1	0	0	0	0	0	1
S. Carolina	2013	2	1	0	0	0	0	3
	2014	3	0	0	0	0	1	2
	2015	2	1	0	0	0	0	3
	2016	3	0	0	0	0	0	3
South Dakota	2013	1	0	0	0	0	1	0
	2014	0	1	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
Tennessee	2013	3	1	0	0	0	0	4
	2014	43	0	0	0	0	10	3
	2015	3	0	0	0	0	0	3
	2016	3	1	0	0	0	0	34
Texas	2013	24	1	0	0	0	1	24
	2014	2425	2	0	0	0	4	2223
	2015	2223	1	0	0	0	0	2324
	2016	24	3	0	0	0	0	27
Utah	2013	2	0	0	0	0	0	2
	2014	2	0	0	0	0	0	2
	2015	2	0	0	0	0	1	1
	2016	1	0	0	0	0	0	1
Virginia	2013	4	1	0	0	0	0	5
	2014	5	0	0	0	0	0	5

	2015	5	1	0	0	0	0	6
	2016	<u>6</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>5</u>
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
Washington	2013	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
West Virginia	2013	<u>3</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>
	2014	3	0	0	0	0	0	3
	2015	3	0	0	0	0	1	2
	2016	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>1</u>
Wisconsin	2013	8	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>7</u>
	2014	7	<u>12</u>	0	0	0	2	<u>67</u>
	2015	<u>67</u>	0	0	0	0	0	<u>67</u>
	2016	<u>7</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>6</u>
Total USA	2013	<u>213</u>	<u>20</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>38</u>	<u>194</u>
	2014	<u>194</u> <u>195</u>	<u>913</u>	3	0	0	<u>2623</u>	<u>174182</u>
	2015	<u>174182</u>	14	2	0	0	<u>1315</u>	<u>173179</u>
	2016	<u>179</u>	<u>10</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>9</u>	<u>180</u>
Total Int'l	2013	<u>82</u>	<u>5</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>	<u>85</u>
	2014	<u>8573</u>	11	0	0	0	<u>51</u>	<u>9183</u>
	2015	<u>9183</u>	9	1	0	0	<u>23</u>	<u>9788</u>
	2016	<u>88</u>	<u>10</u>	<u>3</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>95</u>
TOTAL	2013	<u>295</u>	<u>25</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>40</u>	<u>279</u>
	2014	<u>279</u> <u>268</u>	<u>2024</u>	3	0	0	<u>3124</u>	265
	2015	265	23	3	0	0	<u>1518</u>	<u>270267</u>
	2016	<u>267</u>	<u>20</u>	<u>3</u>	<u>0</u>	<u>0</u>	<u>9</u>	<u>275</u>

* All numbers are as of December 31, 2014, 2015 and 2016. The numbers are for Fully Promoted franchisee stores in the United States and internationally. States not listed had no franchise activity to report during the relevant time period.

Table No. 4

**Status of Company-Owned Outlets
For Years 20134 – 20156***

Col.1	Col.2	Col.3	Col.4	Col.5	Col.6	Col.7	Col.8
State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
Total USA	2013	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	2014	0	0	0	0	0	0
	2015	0	0	0	0	0	0
	2016	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	2013	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

	2014	0	0	0	0	0	0
	2015	0	0	0	0	0	0
	2016	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

* All numbers are as of December 31, 2014, 2015 and 2016.

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Table No. 5

Projected Openings as of December 31, ~~2015~~2016

State	Franchise Agreement Signed but Outlet not Opened	Projected New Franchised Outlets in Next Fiscal Year	Projected New Company Owned Outlets in Next Fiscal Year
Alabama	-0-	0-1	-0-
Alaska	-0-	0-1	-0-
Arizona	-0-	2-3	-0-
Arkansas	-0-	1-2	-0-
California	-0-	3-5	-0-
Colorado	-0-	1-2	-0-
Connecticut	-01-	1-2	-0-
Delaware	-0-	1-2	-0-
DC	-0-	0-1	-0-
Florida	-32-	3-5	-0-
Georgia	-0-	1-2	-0-
Hawaii	-10-	0-1	-0-
Idaho	-0-	0-1	-0-
Illinois	-10-	1-2	-0-
Indiana	-01-	1-2	-0-
Iowa	-0-	0-1	-0-
Kansas	-01-	0-1	-0-
Kentucky	-0-	1-2	-0-
Louisiana	-0-	1-2	-0-
Maryland	-0-	0-1	-0-
Massachusetts	-0-	1-2	-0-
Michigan	-0-	1-3	-0-
Minnesota	-0-	1-2	-0-
Mississippi	-0-	0-1	-0-
Missouri	-0-	1-2	-0-
Montana	-0-	0-1	-0-
Nebraska	-0-	0-1	-0-
Nevada	-0-	1-2	-0-
New Hampshire	-0-	0-1	-0-
New Jersey	-0-	1-3	-0-
New Mexico	-0-	0-1	-0-
New York.	-0-	2-4	-0-
N. Carolina	-0-	1-3	-0-
N. Dakota	-0-	0-1	-0-
Ohio	-0-	2-4	-0-
Oklahoma	-0-	0-1	-0-
Oregon	-0-	1-2	-0-
Pennsylvania	-0-	1-3	-0-
Rhode Island	-0-	0-2	-0-
S. Carolina	-0-	1-2	-0-

State	Franchise Agreement Signed but Outlet not Opened	Projected New Franchised Outlets in Next Fiscal Year	Projected New Company Owned Outlets in Next Fiscal Year
S. Dakota	-0-	0-1	-0-
Tennessee	-0-	1-2	-0-
Texas	<u>-21-</u>	2-4	-0-
Utah	-0-	0-1	-0-
Vermont	-0-	0-1	-0-
Virginia	<u>-01-</u>	1-3	-0-
Washington	-0-	1-2	-0-
Wisconsin	-0-	1-2	-0-
Wyoming	-0-	0-1	-0-
Total USA	7	37-97	-0-
Total Int'l	<u>26</u>	10-12	-0-
Total	<u>713</u>	47-109	-0-

The names, addresses, and telephone numbers of our franchisees and their stores are listed and attached as Exhibit E.

The name and last known address and telephone number of every franchisee who has had an outlet terminated, canceled, not renewed or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during the fiscal year ending December 31, ~~2015~~2016 or who has not communicated with us within the 10 weeks preceding the issuance date of this Disclosure Document are listed and attached as Exhibit I. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with Fully Promoted. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you. During the 3-year period ended on December 31, ~~2015~~2016, two former franchisees and no current franchisees signed such confidentiality clauses.

As described in Item 11 of this Disclosure Document, there is an organization which is a not-for-profit corporation whose members are our franchisees. This corporation was organized with our assistance and is endorsed by us ~~because we require participation in and promote awareness of this organization~~. This corporation can be contacted through our corporate office at 2121 Vista Parkway, West Palm Beach, FL 33411, (561) 640-5570.

ITEM 21

FINANCIAL STATEMENTS

Our audited financial statements prepared in accordance with generally accepted accounting principles for the periods ended December 31, ~~2013~~2014, 2014~~5~~ and ~~2015~~6, and ~~our unaudited balance sheet and income statement as of December 31, 2016~~, are attached to this Disclosure Document as Exhibit D.

ITEM 22

CONTRACTS

The following contracts are included in this Disclosure Document:

1. Exhibit A - Franchise Agreement with Schedules and applicable Addenda
2. Exhibit B - VFS Equipment Lease
3. Exhibit C - Deposit Receipt
4. Exhibit H - General Release Agreement
- ~~5. Exhibit I - Compliance Certificate~~
- ~~6. Exhibit J - Non-Compete Agreement~~
- ~~7. Exhibit M - Disclosure Document Receipt~~

~~As a prospective franchisee, you should obtain independent legal and financial advice before making any commitment.~~

ITEM 23

RECEIPT

Copies of an acknowledgment of your receipt of this disclosure document appear as Exhibit M. Please sign and date two copies and return one fully executed copy to us. You may retain the second copy for your records.

EXHIBIT A
FRANCHISE AGREEMENT

DATED _____ 201__

EmbroidMe.com, Inc.

And

FRANCHISE AGREEMENT

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FRANCHISE AGREEMENT

Between:

EmbroidMe.com, Inc., a Florida Corporation d/b/a Fully Promoted™, whose registered office is at 2121 Vista Parkway, West Palm Beach, Florida 33411, (hereinafter referred to as “**Franchisor**”) and _____ whose registered office is at _____ and whose home address is _____, Franchisee (hereinafter referred to as “**You**” or “**Your**”).

INTRODUCTION

- A. Franchisor has expended time, effort, and money developing knowledge about the retail, contract and wholesale branded products and marketing services business (“the **Fully Promoted** Business”), which includes online marketing, lead generation, complete marketing campaign management services (“the Services”) and printed marketing materials, branded products, embroidered logo wear, screen printed apparel, advertising specialty products, uniforms, and team wear (“the Products”) and has established a reputation and goodwill in parts of the world in the **FULLY PROMOTED** trademarks.
- B. Franchisor is the owner of the **FULLY PROMOTED** trademarks and related trademarks and trade names (“the Trademarks”) which have become associated with the Products and Services, and the **Fully Promoted** System, and Franchisor has agreed to You using the Trademarks and the System upon the terms and conditions hereinafter appearing.
- C. The methods and know-how of design, distribution, production, promotion and marketing used in connection with the sale of the Products and Services under the Trademarks (“the **Fully Promoted** System”) are secret and confidential and are the exclusive property of Franchisor.
- D. The **Fully Promoted** System includes methods and know-how of selling and providing online marketing, lead generation and marketing campaign management services, and of creation, production and sale of branded products, printed marketing materials, embroidered logo wear, screen printed apparel, advertising specialty products, uniforms, team wear, logos designed by computers, and other means for design using specialized and highly developed techniques. These techniques are used in connection with the operation of the **Fully Promoted** Business and a recognized design decor and color scheme for the Premises (as hereinafter defined). The **Fully Promoted** System also relates to the training equipment, furniture, standards of quality and uniformity of products and services offered.
- E. The Trademarks are associated with uniformly high standards of service and quality of product.
- F. Franchisor may from time to time grant franchises in the United States and its territories and protectorates permitting the operation of the business under the Trademarks to sell the Products and Services at certain premises (“the **Fully Promoted** Network”).

- G. You desire the benefits of Franchisor's knowledge, skill, and experience and the right to sell the Products and Services under the Trademarks from the Premises hereinafter described ("a **Fully Promoted Store**").

NOW IT IS AGREED as follows:

One: RIGHTS GRANTED

- A. Subject to and in accordance with the terms hereof, Franchisor grants to You the non-exclusive right to use in the Business (as defined below):
- i. the **Fully Promoted System**;
 - ii. the Trademarks and the symbols owned by Franchisor together with Franchisor's accumulated experience and knowledge relating to the **Fully Promoted Business**; and
 - iii. the Products and Services.
- B. In this Agreement, the expression "the Business" shall mean the business carried on by You in exercise of the above rights and pursuant to this Agreement.
- C. The Business shall only be conducted by You from the Premises located at _____ ("the Premises").
In addition, as long as You are not in default under this Agreement, Franchisor shall not ~~open establish~~ and operate for its own account (or through an affiliate) or franchise others to operate a **Fully Promoted** store from any physical premises located in the following Designated Territory specified as _____ (the "Designated Territory"). The Designated Territory granted under this Agreement does not in any way grant or imply any other area, market, development, or territorial rights to You, except as expressly provided above in this Section.
- D. Franchisor and/or its affiliates reserve the right to establish and operate or license others to establish and operate at any location or premises within the Designated Territory (including a location which may be in close proximity to Your **Fully Promoted Store**): (i) different businesses other than a marketing services, branded products and embroidery and logo-wear business under any trademarks or trade names, although some of those different businesses still may offer and sell some services, advertising specialties and other promotional products that are similar to those that You offer and sell from Your **Fully Promoted Store**; (ii) contract marketing services, branded products and embroidery houses/businesses under any trademarks except the Trademarks, although these contract houses will not focus on retail customers; or (iii) similar marketing services, branded products and embroidery and logo-wear retail businesses to the **Fully Promoted Business** under any trademarks or trade names except the Trademarks, but only to the extent that any such business within the Designated Territory becomes part of, or an affiliate to, Franchisor through some form of merger or acquisition with a local, regional or national chain of marketing services, branded products, embroidery or logo-wear businesses. In addition, Franchisor and/or its affiliates will have the right anywhere outside the Designated Territory to operate or license others to establish and operate **Fully Promoted** businesses. You acknowledge and agree that the premises for another

Fully Promoted store may be located immediately outside Your Designated Territory and therefore the designated territories for the two **Fully Promoted** stores could overlap and the stores could compete for customers, however, the premises for the other **Fully Promoted** store will not be located within Your Designated Territory.

- E. The rights and privileges granted to You under this Agreement are personal in nature and may not be used at any location other than the Premises. You will not relocate the **Fully Promoted** Store without Franchisor's prior written consent and will not open any other **Fully Promoted** stores in the Designated Territory. You will not have the right to subfranchise or sublicense any of its rights under this Agreement. You will not use the Premises for any purposes other than the operation of a **Fully Promoted** Store.
- F. In this Agreement the word "Goodwill" includes
 - i. the goodwill and all rights associated with Franchisor's copyright material, the System, the Trademarks and any other intellectual property rights of Franchisor, and
 - ii. any additional goodwill generated from their use in the Business.
- G. The Goodwill shall, at all times, belong to and be vested in Franchisor and You only have the right to benefit from the Goodwill to the extent provided by this Agreement.

Two: TERM

- A. **Initial Term** This Agreement shall be for a term of 35 years from the date of this Agreement (the "Term"), unless sooner terminated as hereinafter provided.
- B. **Additional Term** You shall have the right to require Franchisor to enter into a new agreement (the "New Agreement") to take effect immediately following the end of the initial Term subject to the conditions and terms which follow.
- C. Subject to the following conditions precedent, You shall exercise Your right by giving written notice to Franchisor so that it is received 9 months before the Term ends. The conditions precedent are:
 - i. that You shall not have any outstanding breach of the terms of this Agreement at the time of Your notice and at the time the New Agreement becomes effective, and
 - ii. that You shall renovate, modernize, and refurbish the Premises, as commercially practicable (including equipment) and bring the Premises up to the then current standards of design and decor of the **Fully Promoted** Network, and to comply with any relevant statutory or other requirements or regulations.
- D. The terms of the New Agreement shall be that You and Franchisor shall enter into the New Agreement for a period at least equal to the Term and upon the terms contained in Franchisor's then current form of franchise agreement provided however:
 - i. You shall not pay any sum expressed to be by way of initial fee but shall pay a

renewal fee in the sum of \$1,500.00 to cover the costs of closing and processing paperwork upon renewal, and

- ii. Franchisor shall not be obliged to provide any of the initial or other obligations contained in such agreement that are appropriate to the establishment of a new franchise.
- E. You shall, upon the execution of the New Agreement, be deemed to have released and discharged Franchisor from and against all claims and demands not at issue in mediation, arbitration and/or litigation proceedings at the time of renewal, whether or not contingent, which You may have against Franchisor arising from this Agreement or in any way out of the relationship between Franchisor and You.

Three: THE PREMISES

- A. The Premises at which the **Fully Promoted** Store is to be located will be mutually agreed upon by the parties. You shall acquire the Premises by lease (the "Lease"). You shall not enter into any Lease without obtaining Franchisor's prior written consent, which consent shall not be unreasonably withheld.
- B. You acknowledge and agree that any site selected or approved by Franchisor, and/or any Lease approved by Franchisor, shall be with the understanding that it meets Franchisor's minimum acceptable criteria. Such criteria are not a guaranty or representation that the site will be successful or that the terms of the Lease are reasonable. You acknowledge that You are responsible for reviewing and determining the appropriateness and desirability of the site and the Lease. Franchisor shall have no liability with respect to the selection or approval of a location or any lease for the Premises, nor liability with respect to any recommendation regarding such matters.
- C. You shall not sublet or share the Premises without Franchisor's prior written consent.
- D. You must deliver to Franchisor a fully executed copy of the Lease to the Premises prior to the opening of Your Store.
- E. You shall not extend, renew, or cancel the Lease without Franchisor's express written consent thereof which consent shall not be unreasonably withheld.
- F. Should it become necessary, on account of condemnation or other cause, including cancellation of Your Lease, to relocate the **Fully Promoted** Store, Franchisor shall grant You authority to do so at a site acceptable to Franchisor that is within Your Designated Territory, is reasonably suited for an **Fully Promoted** Store, does not infringe on the rights of any other franchisee of Franchisor, and is reasonably distant from other **Fully Promoted** stores; provided that Your new Store is open and operating within 60 days after You discontinue operation of the Store at Your previous location, all in accordance with the current standards of Franchisor at that time.

Four: FRANCHISOR'S INITIAL OBLIGATIONS

To assist You in opening for business, Franchisor will (in addition to the two week training period to be provided at Franchisor's headquarters pursuant to the provisions that follow in

Section Seven below) provide for or make available to You the following services and/or goods:

- A. advice in regard to establishing the **Fully Promoted** Store including assistance with establishing a marketing program;
- B. perform demographic research for the selection of the Premises;
- C. assistance in locating a site for the Premises, and at your option, you may obtain assistance from Franchisor's affiliate, Franchise Real Estate, Inc., in negotiating for the lease of the Premises;
- D. consultation and advice with regard to alterations, refurbishment, renovation, decoration or other work necessary for the conversion of the Premises into a **Fully Promoted** Business including store layout designs; provided, however, that such consultation and advice will be provided by Franchisor's affiliate, Franchise Real Estate, Inc. on such terms the affiliate currently offers;
- E. sell to You the equipment and supplies (the "Equipment Package") listed in Schedule "A" to this Agreement;
- F. provide for a period of 80 hours a suitably qualified member(s) of its staff and representatives of the equipment vendors to assist in initial on-site training and guidance on commencement of the Business. Franchisor shall pay the travel and other costs of its staff member for the purpose of an initial on-site training;
- G. advice with regard to the way in which fixtures and equipment are to be installed in the Premises with a view to the efficient operation of the Business;
- H. advice on the inventory requirements and the merchandising of any of the appropriate Products comprised in Your initial stock prior to opening the Business;
- I. assistance in establishing supplies of materials for use in manufacturing the Products;
- J. provide You with a suggested bookkeeping system;
- K. provide You, on loan, with an Operating Manual, which includes statements of policies and procedures, together with instruction and advice in the operation of a **Fully Promoted** Store;
- L. provide You with other relevant manuals and written material which, in its discretion, Franchisor deems necessary;
- M. initiate for You an Internet marketing launch;
- N. provide You in digital format templates for letterhead, flyers; and business cards.

Franchisor may delegate the performance of any or all of its obligations hereunder to such third parties as it deems advisable.

Five: FRANCHISOR'S CONTINUING OBLIGATIONS

Franchisor shall at all times during the term of this Agreement:

- A. provide You with details of any alterations and/or improvements in or to the System to enable You to keep the Operating Manual up to date. In the event of any dispute, the authentic text of the Operating Manual shall be the copy kept as such by Franchisor at its principal Corporate Office. The Operating Manual shall at all times remain the property of Franchisor. You acknowledge that the copyright in the Operating Manual is vested in Franchisor;
- B. make periodic visits to Your Business at Franchisor's own expense by a member(s) of Franchisor's staff as Franchisor considers suitably experienced for the purpose of assisting You and monitoring Your compliance with quality standards;
- C. provide You with information relating to the **Fully Promoted** Expo, the UFG Leadership Summit, regional meetings at industry trade shows, conventions, seminars, franchise meetings and other events organized by Franchisor for its franchisees and permit You, at Your own expense, to attend;
- D. provide You from time to time with Franchisor's corporate news updates;
- E. offer to You from time to time, free of charge, bulletins on sales and service methods, marketing development and techniques, and business and operating procedures;
- F. use reasonable efforts to offer advice and technical assistance for equipment, computer hardware and software, and the printing, production and embroidery processes by toll-free telephone and via the Internet; and
- G. provide access to an intranet website from which You may download additional programs and data.

Six: FRANCHISEE'S OBLIGATIONS

In order to maintain the common identity and reputation of the **Fully Promoted** Network, to maintain the uniformly high standards among franchisees carrying on business under the Trademarks in accordance with the System, and to protect Franchisor, You, the **Fully Promoted** Network, the Goodwill and the demand for the Products and Services sold, supplied or provided in the **Fully Promoted** Business under the Trademarks, You shall:

- A. purchase the Equipment Package from Franchisor prior to opening the business and use it exclusively for the purpose of operating the **Fully Promoted** Store;
- B. acquire any other miscellaneous equipment, books of account, and any other items which are necessary for the performance by You of Your obligations under this Agreement;
- C. have one person, comprised of either Yourself or Your Manager, at Your sole cost and expense (excluding Franchisor approved transportation, lodging, a daily meal, training material and trainers), undertake and complete to Franchisor's satisfaction such training, at such times, and at Franchisor's training facilities, as Franchisor may reasonably require;

- D. devote an adequate amount of Your time and attention to the Business as is necessary to perform the administrative, marketing, promotional and accounting functions required in operating the System. You shall diligently carry on the Business at the Premises and use Your best efforts to promote the Business. You shall continuously operate the Business during normal business hours for a minimum of 40 hours per week. At any time during the term of this Agreement, should You intend to delegate these performance obligations or duties to a designated operator, You must first notify Franchisor of Your intent and such operator must be added to this Agreement as an additional Franchisee before he or she assumes such obligations and/or duties;
- E. operate the System and Your Business properly and in strict accord with the required provisions of the Operating Manual, provided that such provisions do not conflict with applicable laws or regulations. In the case of a conflict, You shall request a variance and the Franchisor shall grant You an automatic variance for the purpose of compliance with applicable laws or regulations. You acknowledge that the required provisions are intended to protect the goodwill of the Trademarks and not to exercise control over the day to day operations of the Business, which remains Your sole responsibility. You shall not make use of or disclose the Operating Manual to any other person or for any purpose other than for the conduct of the Business, nor shall You make any copies of the Operating Manual or any part thereof. You shall further ensure that Your copy of the Operating Manual is kept up to date at all times. You acknowledge the Operating Manual to be the exclusive property of Franchisor. You agree to use Your best efforts to promptly comply (but no later than 30 days from delivery) with all revisions to the Operating Manual that may be made from time to time;
- F. Purchase at least 80% of Your product supplies and supplied services from Franchisor's approved suppliers in the following product categories: clothing items, promotional products, decoration supplies, machinery and equipment, digital marketing services, print products and services, lead generation and database services. In addition, purchase payroll services and credit card processing and merchant services from a vendor which may include Franchisor's approved suppliers or another vendor You choose. Franchisor may add product categories or delete product categories from these requirements upon written notice to You;
- G. You may at Your option operate the Business through a limited liability company, corporation or other legal business entity (a "business entity"), provided that: (i) the Franchise Agreement shall remain in Your name, and the full legal name of the business entity shall be added to the Franchise Agreement as an additional Franchisee; (ii) the business entity is newly organized and its activities are confined exclusively to operating the **Fully Promoted** Business licensed under this Agreement; (iii) You are the owner of all the stock or membership units of the business entity and are the principal executive officer thereof; (iv) You furnish Franchisor with the name, address, telephone number and percentage of ownership of each officer, director, shareholder and member of the business entity; and (v) if You are a corporation, limited liability company or similar entity, then no part of the Trademarks shall form part of Your legal or business entity name;
- H. operate the Business only under the name or names specified by Franchisor without any accompanying words or symbols of any nature (save as required by the provisions of this

Agreement) unless first approved in writing by Franchisor. You shall not do anything that may adversely affect Franchisor's rights in the Trademarks;

- I. comply with all laws, ordinances, regulations and requirements of local, state and federal governmental authorities and pay any and all city, county, state and/or federal sales and/or use taxes, excise taxes, occupation taxes, license fees and other taxes, assessments and levies arising out of or in connection with all or any part of this Agreement; and pay vendors, landlords and other creditors of the Business on a timely basis;
- J. indicate Your status as an independently owned and operated franchise by:
 - i. displaying in the location that Franchisor may direct signs bearing the following words (or other words to similar effect as may from time to time be specified by Franchisor) "Independently Owned and Operated by" followed by Your name;
 - ii. placing upon all letterhead, bills, invoices, and any other documents or literature used by ~~it~~ You, and within the body or signature field of all email communications sent in connection with the Business the following words (or other words to similar effect as may from time to time be specified by Franchisor) "Independently Owned and Operated by" followed by Your name;
- K. prominently display on and in the **Fully Promoted** Store advertising signs in the nature, form, color, number, location and size and containing the material as Franchisor may direct in writing and shall not display therein or thereon any sign or advertisement to which Franchisor objects or has not pre-approved in writing;
- L. Advertise in the telephone Yellow Pages, with a minimum of a single line listing. Advertise online via a daily Pay per Click advertising campaign for keywords containing the town the store is located in. Conduct Search Engine Optimization of the local store webpage on a monthly basis;
- M. answer the telephone at the **Fully Promoted** Store initially reciting the full name "**Fully Promoted.**" You shall not answer the telephone under any other name without the prior written consent of Franchisor;
- N. place any referral information required by Franchisor for referral of prospective franchisees in a prominent place on Your front counter or any other location Franchisor dictates;
- O. continuously (during regular business hours and days) operate the **Fully Promoted** Store unless prohibited from so doing by an act of God, a religious holiday, or conditions beyond Your control ("Non-controllable Events"). You further agree to exercise Your best efforts, skills, and diligence in the conduct of the Business. In this connection, You agree to supervise Your employees to ensure compliance with the **Fully Promoted** System. In addition, You and Your employees shall wear approved uniforms (*i.e.*, **Fully Promoted** logoed apparel) during the operation of the Business;
- P. keep the exterior sign on the Premises lit until 11 o'clock PM or another hour as may be required by Franchisor or as required by local ordinances or landlord requirements;

- Q. at all times maintain the interior and exterior of the Premises in a good state of repair and decoration, clean, orderly and sanitary. You shall not permit animals of any type in the Premises except as required by law. If at any time Franchisor is of the opinion that You are not complying with Your requirements, Franchisor may, without prejudice to any of the other remedies available to it, including termination of this Agreement, give You written notice of the steps required by Franchisor in order to ensure compliance. You shall comply at Your own expense with these requirements;
- R. shall not sell anything or provide any service which does not conform with the standards associated with the Trademarks or of which Franchisor does not approve thereof which consent shall not be unreasonably withheld. You shall comply with all instructions given to You by Franchisor with regard to the standards or quality of the System and the Products (including display merchandising and packaging) and Services. You shall comply with any requirements that Franchisor establishes from time to time for national accounts or customers. In the event of a customer complaint, You shall follow the procedures outlined in the Operating Manual and provide to Franchisor such information as Franchisor may require to enable Franchisor to monitor the performance of the Business and to offer guidance to You;
- S. replace any equipment items as may become obsolete or inoperable with items that meet Franchisor's new requirements in respect to opening a new **Fully Promoted** Business. If, by reason of any change to the System, additional or different equipment is required, then You shall acquire and install these items as commercially practicable, within a reasonable period of time as specified by Franchisor;
- T. use Your best efforts to maintain the highest standards in all matters connected with the Business and increase the revenues of the Business at the Premises;
- U. only employ as a Manager of the Business a person who has successfully passed Franchisor's training course;
- V. procure from any Manager and from such other staff, as Franchisor shall require, an agreement to be supplied by Franchisor not to misuse or disclose to any third party any information or knowledge concerning Franchisor's business, the Business, or the System and to comply with the non-compete requirements set forth in Section Seventeen F.(i) and (ii) of this Agreement for two years following termination of his or her employment with You;
- W. not do anything which may bring the System into disrepute or which may damage the interests of Franchisor or the **Fully Promoted** Network;
- X. not own, manage, be employed by or have any interest in any business other than the **Fully Promoted** Business which is similar to or competitive with Your **Fully Promoted** Business or any other **Fully Promoted** store, except with the prior written consent of Franchisor;
- Y. maintain the **Fully Promoted** System and other information relating to the conduct of the Business in strict confidence and secret and shall only use them for the purpose of conducting the Business during the term of this Agreement. You shall not use, disclose,

publish or otherwise make this confidential information available to any third party during or at any time after the term of this Agreement, but this provision shall not apply to the System if it has become generally known or easily accessible other than through a breach of this Agreement or other default of Yours;

- Z. not hire any employee of Franchisor (nor any person who was employed by Franchisor within 90 days prior to the date of hiring by You), except with the prior written consent of Franchisor. You shall not interfere with Franchisor's prospective franchise sales or its contractual relationships with its existing franchisees by soliciting prospective or existing franchisees for the sale of any product, service or another business opportunity;
- AA. indemnify and hold Franchisor harmless against all claims, demands, damages, costs or expenses which may be incurred or received by Franchisor resulting from any breach of this Agreement on Your part, the negligence of any party (other than Franchisor), or arising directly or indirectly out of the management or operation of the Business or the use or occupancy of the Premises or in connection with Your sale, transfer or assignment of the Business and franchise license, which indemnification obligation survives the expiration or termination of this Agreement. It is the intention of the parties to this Agreement that Franchisor shall not be deemed a joint or co-employer with You for any reason; however, if Franchisor incurs any cost, liability, loss or damage as a result of any actions or omissions of You or Your employees, including any that relate to any party making any finding of any joint or co-employer status, You will fully indemnify Franchisor for any such cost, liability, loss and damage;
- BB. have Internet access and an e-mail address. You must use the Internet website, domain name and email address(es) provided by Franchisor from time to time and pay to Franchisor and/or its designated vendors the initial start-up fee, annual hosting and maintenance fees for the website, domain name and fees for the email address(es)~~monthly email account fees~~. You cannot use any other website or domain name to promote the Business and cannot use other domain names (with or without the Trademarks as part of the name) that are pointed or linked to the Internet website provided by Franchisor without the written permission of Franchisor. You cannot use any email address and related mail server other than the one(s) provide by Franchisor to conduct Fully Promoted Business related business activities, except for bulk email which must be sent through an approved email service (bulk mail is any email sent to more than 100 recipients). -If Franchisor discovers that You have obtained or are using another website, domain name or email address for or in connection with ~~Your~~ **Fully Promoted Business** without Franchisor's written permission, Franchisor shall notify You and upon notice, You shall immediately discontinue use of the unauthorized website, domain name or email address and transfer and assign the same to Franchisor. Franchisor will, at its discretion, determine the content and use of Your **Fully Promoted** website and will establish the rules under which franchisees may or will use their websites (including advertising Franchisor's website address on Your Store's front window and in printed literature) or separately use the Internet or other on-line communications in the operation of the Business. Without the written permission of Franchisor, You cannot use Internet tools such as but not limited to search engine optimization for the purpose of promoting Your Business to customers in the designated territory of another **Fully Promoted** franchisee. Franchisor will retain all rights relating to the website and may alter or terminate the website upon 30 days' notice to You. Your

general conduct on the website or other on-line communications and specifically Your use of the Trademarks or any advertising on the website or other on-line communications (including the domain name and any other Trademarks Franchisor may develop as a result of participation in the website or other on-line communications) will be subject to the provisions of this Agreement. Any custom enhancements to Your Internet website shall be at Your expense and must be performed by a vendor approved by Franchisor. You acknowledge and agree that Franchisor may, in its sole discretion, modify, substitute, or reassign websites, webpages, domain names or email addresses which Franchisor designates for Your use in the Business during the term of the Franchise Agreement. Your right to use the Your website, webpage, domain name and/or email address(es) or otherwise use the Trademarks or System on the Internet or in other on-line communications will terminate when this Agreement expires or terminates.; You further acknowledge and agree that the terms and conditions set forth in this Section Six BB apply with respect to websites, domain names and email addresses used by any employee of Yours in connection with the conduct of **Fully Promoted** related business activities.

- CC. effect such items of modernization, refurbishing and/or replacement of equipment, computers and software, signage, fixtures, display areas, furnishings and improvements, as Franchisor deems reasonably necessary, no more than once every three years, to permit Your **Fully Promoted** Store to conform to the standards then prescribed by Franchisor for similarly situated new **Fully Promoted** Stores. You acknowledge and agree that the requirements of this Section Six CC are both reasonable and necessary to insure continued public acceptance and patronage of **Fully Promoted** Stores and to avoid deterioration or obsolescence in connection with the operation of Your Store. Each and every transfer of any interest in this Agreement or business conducted hereunder governed by Section Fifteen also is expressly conditioned upon compliance with the foregoing requirement without regard to the number of years since the last modernization, refurbishing and/or replacement;
- DD. upload into the Franchisor logo database the digitized images of logos of any customers that have business locations outside of Your Designated Territory or that Franchisor otherwise requests to be uploaded;
- EE. Employ prior to the scheduling of the start of the technical and marketing set up described in Section Four F of this Agreement and maintain at all times during the term of this Agreement at least one full-time outside salesperson in addition to Yourself. You shall replace such sales person within 30 days in the case of termination of employment;
- FF. adhere to the guidelines set by Franchisor for use of social media to promote Your **Fully Promoted Business** and/or in connection with Your use of the **Fully Promoted** System and Trademarks and Your participation in the **Fully Promoted** Network.

Seven: INITIAL TRAINING

- A. Franchisor will train You or Your initial Manager in the operation of the **Fully Promoted** System at its Training Center in Florida for two weeks.
- B. The initial franchise fee paid by You pursuant to Section Ten A shall cover the charge for such training for one person (including one coach class round trip airfare, baggage and other fees not included, one daily meal and accommodations). Franchisor shall not

compensate You for any service performed during this initial (or any) training period. If You bring additional persons to the initial training, You will pay a training fee of \$225 per person and be responsible for their travel, meals and accommodations. Your initial Manager and any additional persons who attend training shall be required to sign an agreement to be supplied by Franchisor not to misuse or disclose to any third party any information or knowledge concerning Franchisor's business, the Business or the System.

- C. Franchisor may at any time during training, by notice in writing, inform You that any person submitted for training is not suitable due to blatant criminal activities, disreputable behavior, poor attendance and/or disturbing fellow trainees. In this event, Franchisor's obligations in respect to the first trainee shall be regarded as discharged and any further training for any replacement for the first trainee shall be provided at Your expense.
- D. Franchisor shall have the right to require You to attend further training courses at any time during the Term of this Agreement if:
 - i. Franchisor considers attendance at such courses to be advisable;
 - ii. Franchisor wishes to train You in new and improved techniques that have been devised and which You will be required to put into effect in operating the System; or
 - iii. a regularly scheduled training program is scheduled or in session.

There will be no training fee or charge for these additional training classes; however, all costs of attendance shall be at Your sole expense.

Eight: CONTINUING TRAINING

- A. Franchisor will train any subsequent Manager, replacement staff, or any trainee of Yours in any place Franchisor may require, and at Your expense.
- B. You shall establish and maintain a training program for Your staff in accordance with the requirements contained in the Operating Manual.
- C. Franchisor shall make available training for new equipment (whether provided by Franchisor or its vendors or others) at Your expense.
- D. The training provided by Franchisor as described in Section Seven and this Section Eight are provided so that You, Your Manager and staff receive the benefit of Franchisor's accumulated experience and knowledge relating to the Business and to ensure a uniform image and uniform quality of services in all **Fully Promoted** Stores. You acknowledge that You shall be solely responsible for training Your Manager and staff. Franchisor is not an employer, co-employer or joint employer with You of Your employees. You shall be solely responsible for all employment matters, decisions and relationships.
- E. All training programs provided by Franchisor as described in Section Seven and this Section Eight are at the sole discretion of Franchisor. Franchisor has the right to refuse to provide any training program to any individual where it deems in its sole judgment such training is against its interests, or the interests of any **Fully Promoted** franchisee or any

affiliate.

Nine: IMPROVEMENTS

Franchisor shall endeavor to create and develop new and improved methods of conducting a business in accordance with the System.

- A. Franchisor agrees to make these improvements, additions, modifications or innovations available to You at the earliest possible opportunity. You in turn will notify Franchisor of any improvements, additions, modifications or innovations in Your method of operation which You believe would assist in the development of the System.
- B. In order that You, Franchisor, and its other franchisees may all benefit from the free interchange of ideas, You shall permit Franchisor to introduce into the System and/or the Operating Manual any improvements, additions, modifications, or innovations which may have been notified by You to Franchisor without any payment being made to You.

Ten: FEES

In consideration of the grant of the franchise herein, You shall pay to Franchisor the following:

- A. **Franchise Establishment Fee** Upon the execution hereof, You shall pay Franchisor a franchise establishment fee of FORTY NINE THOUSAND FIVE HUNDRED DOLLARS (\$49,500.00), receipt of which Franchisor hereby acknowledges. The franchise establishment fee shall be deemed fully earned and non-refundable upon the execution of this Agreement. A deposit of FIVE THOUSAND FIVE HUNDRED DOLLARS (\$5,500.00), if submitted prior to this Agreement, shall be credited against the Franchise Establishment Fee with the balance due and owing upon signing this Agreement.
- B. **Royalty Fees** During the Term of this Agreement, You shall pay to Franchisor a monthly Royalty in an amount equal to:
 - (i) 6% of Your Gross Revenues for the month until Your Gross Revenues for the calendar year exceed \$54600,000; and then
 - ~~(i)~~(ii) 4% of Your Gross Revenues for the month until Your Gross Revenues for the calendar year exceed \$1,000,000; and then
 - ~~(ii)~~(iii) 32% of Your Gross Revenues for the month until after Your Gross Revenues for the calendar year exceed \$1,000,000.

~~No royalties are required to be paid on annual Gross Revenues exceeding \$1,000,000.~~

- C. **Marketing Fees** During the term of this Agreement, You will pay to an advertising fund which is maintained by a separate Florida non-profit corporation, (the "Fund") or its successors and assigns a weekly Marketing Fee of 1% of Your Gross Revenues for the week. The Marketing Fee can be increased or decreased as provided by the By-laws of the Fund.

- D. For the purposes of this Agreement, “Gross Revenue” means the entire amount of all of Your revenues arising out of the ownership or operation of the **Fully Promoted** Store or any business at or about the **Fully Promoted** Store. This amount is to include, without limitation, revenues derived from or relating to all sales and fees charged for products and services rendered at, or for orders placed at or completed for delivery in, through, or from the **Fully Promoted** Store. The revenues are determined regardless of whether they are evidenced by cash, credit, checks, services, property or other means of exchange, excepting only the amount of any sales taxes that are collected and paid to the taxing authority. Cash refunded and credit given to customers, shall be deducted in computing Gross Revenue to the extent that such cash or credit represent amounts previously included in Gross Revenue on which Royalty and Marketing Fees were paid. Gross Revenue consisting of property or services shall be valued at the prices applicable, at the time such Gross Revenue are received, to the products or services exchanged for such Gross Revenue. Franchisor may collect Royalties and Marketing Fees for any jobs remaining unpaid longer than the time frame provided in the Operations Manual.
- E. **Royalty Incentive Program** Franchisor has instituted a Royalty Incentive Program for qualified franchisees. If You are a qualified franchisee You shall pay royalties at a rate of 6% on a designated amount of annual Gross Revenue (the “Lower Cap Amount”) and ~~34%~~ on a higher designated amount of Gross Revenue (the “Higher Cap Amount”). ~~When a franchisee’s Gross Revenues exceed the Higher Cap Amount, no further royalties will be required to be paid for the balance of the calendar year.~~ Franchisor shall determine, in its sole discretion from time to time the Lower Cap Amount and the Higher Cap Amount, for the **Fully Promoted** System. To be deemed a qualified franchisee, You must be and remain at all times in compliance with the terms and conditions of this Agreement, including without limitation, the monthly payment of all Royalty Fees. If a franchisee fails to pay its monthly royalties on a timely basis, under reports its monthly Gross Revenues by more than 2% or commits another material breach of this Agreement which is not cured within fifteen (15) days of written notice of the breach, Franchisor, in its sole discretion, may suspend the franchisee’s qualified franchisee status for the balance of the calendar year and the full calendar year following. If a franchisee is suspended, it will pay a royalty of 6% on all Gross Revenues until the suspension ends. You acknowledge that Franchisor reviews the propriety and utility of the Royalty Incentive Program on an annual basis and, in its sole discretion, Franchisor may discontinue or modify same without prior notice at the end of any year in which it has been in effect.
- F. Payment of the Royalty Fee and the Marketing Fee will be through electronic transfer and shall be done on the second business day following the month to which the Royalty Fee and Marketing Fee applies. Franchisor reserves the right to change the time period on which the royalty or marketing fee is calculated, the date of payment of these fees and the method of payment from electronic transfer to such other manner of payment that Franchisor deems appropriate.
- G. Upon execution of this Agreement and/or at any other time thereafter at Franchisor’s request, You shall sign an authorization substantially in the form attached to this Agreement as Schedule C and all other documents necessary to permit Franchisor to withdraw funds from Your designated bank account by electronic funds transfer in the amount of the Royalty Fee, the Marketing Fee and all other fees and amounts described

in this Agreement. Any fee calculated by reference to Gross Revenue shall be based on the information obtained from the electronic point of sale system in Your computer. Should any electronic funds transfer not be honored by Your Bank for any reason, You agree that You shall be responsible for that payment plus any service charge applied by Franchisor or its bank. If any payments due Franchisor under this Agreement, whether to be paid by electronic funds transfer or otherwise, are not received when due, interest on the amount past due will be charged interest by Franchisor at the rate of 18% per annum or the maximum rate of interest permitted by law, whichever is less plus a late charge of \$10.00 per day for each day the payment is late. You acknowledge and agree that You have no right to withhold payment of the fees due under this Section Ten by right of Your dissatisfaction with Franchisor's performance of its obligations under this Agreement and that if You are so dissatisfied, You will pursue other remedies at law which may be available. Additionally, in the event of non-payment by You of any of Your obligations under this Agreement and the failure to cure such non-payment within ~~30~~ 15 days of the due date of the payment, Franchisor, at its option, may withhold services from You including but not limited to store support, email access, remote support, ~~and~~ website access and Fund-sponsored services.

- H. As security for all Your monetary and other obligations to Franchisor, or its affiliates, You hereby grant to Franchisor a first priority security interest in all of Your assets used in connection with the **Fully Promoted** Store and wherever located, including, without limitation, all furniture, fixtures, machinery, equipment, inventory, and all other property, (tangible or intangible), now owned or hereafter acquired by You , as well as all contractual and related rights of You under this Agreement and all other agreements between the parties. All assets subject to Franchisor's security interest which can be kept within the Premises of the **Fully Promoted** Store shall be kept within said Premises and shall not be sold (except in the ordinary course of business), or transferred, assigned, conveyed, encumbered, destroyed, relocated, moved or removed from such Premises without Franchisor's prior written consent. You agree to execute such financing statements, continuation statements, notices of lien, assignments, or other documents as may be required in order to perfect and maintain Franchisor's security interest. Franchisor agrees to subordinate its security interest to any working capital lender of Yours and to the purchase money security interest of an approved equipment vendor for any equipment purchased by You and used in the operation of the **Fully Promoted** Store. You shall pay all filing fees and costs for perfecting Franchisor's security interest. You acknowledge that this Agreement constitutes a security agreement for the purposes of the attachment, perfection, and enforcement of the foregoing security interest. Upon the occurrence of any default under this Agreement, Franchisor shall have and be entitled to exercise all rights to which a secured party may be entitled under the version of the Uniform Commercial Code of the state where the Premises are located.

Eleven: ACCOUNTING AND REPORTING

- A. You shall:

- i. install and use the Business Management System ("Point of Sale System" or "BMS") ~~Electronic Point of Sale ("EPOS") System~~ specified by Franchisor. You shall accurately record all transactions through the EPOS/BMS and shall ensure that Franchisor shall have access to Your EPOS/BMS at all times for the purpose

of obtaining information relating to the Business. You shall execute the ~~EPOS~~BMS License Agreement attached as Schedule D to this Agreement and comply with the terms thereof. In the event of any failure of the ~~EPOS~~BMS, during the operation of the Business, You shall manually keep accurate records which shall be entered into the ~~EPOS~~BMS as soon as may be practicable following rectification of the cause of the breakdown. Upon Franchisor's request, You shall modify, upgrade and replace the ~~EPOS-System~~BMS from time to time and shall also execute additional ~~EPOS-System~~BMS license agreements in connection with such modifications, upgrades and replacements of the ~~EPOS-System~~BMS. If the ~~EPOS-System~~BMS is modified, upgraded or replaced in its entirety, You shall install and use the modified, upgraded or new ~~EPOS-System~~BMS in accordance with this Section.

- ii. maintain on the Premises in a form approved by Franchisor (and preserve the same for at least six years after the end of the financial year to which they relate and thereafter for so long as any dispute shall remain outstanding between the parties) full and accurate balance sheets and profit and loss statements and all underlying or supporting records and vouchers (including the cash register rolls, bank statements, ~~and deposit slips and tax returns~~) relating to the Business. You shall permit Franchisor (or any person, firm or company nominated by Franchisor) during business hours to inspect and take copies of Your books of account and records including but not limited to, records stored within Your BMS, cash register rolls, bank statements, deposit slips, tax returns and other financial books of account and records. At Franchisor's request, You shall promptly transmit or send copies of Your books of account and records to Franchisor (or any person, firm or company nominated by Franchisor) for review and inspection. If, on any such inspection or review, a discrepancy greater than 2% of Gross Revenue is found between the sums reported as Gross Revenue and the actual Gross Revenue for any reporting period, then You shall, without prejudice to any other rights which Franchisor may have, reimburse Franchisor for all costs incurred in conducting such inspection including travel, hotel, subsistence, salaries, and fees; and
- iii. for each of Your accounting years supply to Franchisor financial statements (including a balance sheet and profit and loss statement) for Your full accounting year prepared by Your accountant which shall be certified by You to Franchisor as correct. Such certificate and financial statements shall be delivered to Franchisor within ~~90~~45 days from the end of the said accounting year. You agree to have such annual financial statements prepared separately for the **Fully Promoted** Business and not on a consolidated basis with the assets or liabilities or profits and losses of any other business with which You are associated reflected therein;
- iv. for each of Your tax years supply to Franchisor copies of your federal and state tax returns and sales tax returns or in lieu of federal tax returns supply to Franchisor each tax year IRS Form 4506-T (or any successor form designated by the IRS), executed by You and authorizing the IRS to send Franchisor a copy of Your Tax Return Transcript. You agree to prepare and file such returns separately for the **Fully Promoted** Business and not on a consolidated basis with

the income, sales, expenses or deductions of any other business with which You are associated reported therein.

B. Franchisor shall:

- i. have the right to verify all of Your sales directly with customers; and
- ii. have the right to verify all of Your purchases and other expenses directly with Your suppliers, vendors, and employees.

C. You acknowledge that Franchisor has the capability to access remotely all EPOS data on Your computer and other data which may be hosted on servers and that Franchisor can use such data for such business purposes as it deems proper provided that Franchisor will not sell, transfer or share such data to or with any other person or entity during the term of this Agreement except in connection with: (i) the transfer of this Agreement as permitted under Section Fifteen I of this Agreement; (ii) compilation of operating statistics on all franchises, or groups thereof, for public distribution; (iii) sales rankings and/or comparative sales charts and tables for publication to franchisees via an intranet site; (iv) financial performance representations for publication in EME's franchise disclosure documents for prospective franchisees; and (v) other similar data compilations.

D. You shall not combine and/or commingle Your **Fully Promoted** Business operations with that of any other business. You shall not use the bank account or BMS designated for Your **Fully Promoted** Business to process transactions, sales, make deposits or pay expenses for another business. You agree to keep the financial books of account and records of Your **Fully Promoted** Business separate and apart from Your personal financial books and records and/or from the books and records of any other business with which You are associated. You shall not file consolidated tax returns for the **Fully Promoted** Business which consolidate the income or deductions of the **Fully Promoted** Business with those of another business.

Twelve: ADVERTISING/MARKETING

A. You must participate in any national, regional or local advertising cooperatives that Franchisor designates. You shall pay the Fund a monthly Marketing Fee as specified in Section Ten C. Franchisor reserves the right to: (i) assume control of the Fund in the future; (ii) modify or terminate the Fund; and/or (iii) create or establish a new fund in the future. If Franchisor exercises any of these rights, You must pay Franchisor, its affiliate, or another entity designated by Franchisor, the monthly Marketing Fee and comply with all requirements relating to the Fund or any new fund Franchisor establishes. Franchisor also reserves the right to enforce the obligations of the Fund and distribute the proceeds of any settlement or judgment in the manner that Franchisor deems appropriate, and to suspend or reduce a franchisee's obligation to participate in the Fund or any other advertising cooperative. The Fund will have the right to use the Marketing Fees in its absolute judgment and apply it to national, regional, and/or local marketing programs and promotional campaigns, as well as Internet advertising, web hosting and development and franchise recruiting efforts, provided that Franchisor has the right to review and approve all advertising and promotional materials created or produced by the Fund. The

~~methods of marketing and promoting, media employed and contents, terms and conditions of marketing campaigns and promotional programs will be within the sole discretion of the Fund.~~ Franchisor will not be required to pay Marketing Fees in its role as franchisor; however, all **Fully Promoted** businesses that are owned and operated by Franchisor (or an affiliate of Franchisor) will be required to pay Marketing Fees in the same manner as **Fully Promoted** franchisees. ~~As a **Fully Promoted** franchisee, You will be a voting member of the Fund with all of the rights and privileges provided to members under the By laws of the Fund.~~

- B. You shall be responsible for all Your own direct marketing and local advertising of the business. You shall expend at least an amount equal to 5% (five percent) of all Gross Revenues on direct marketing or local advertising (including public relations) in each year. Of the 5% (five percent) expended, at least half must be spent on digital advertising such as, online advertising, pay per click, search engine optimization of Your website and mobile marketing, or then current digital technology. Franchisor also believes in and encourages You to participate in cooperative advertising where available. For the purposes of this paragraph, the term “direct marketing or local marketing” shall mean all marketing and public relations costs, advertising and promotions effected through the medium of the Internet, mobile marketing, email and other digital communications media, local radio or television broadcasts, newspapers, periodicals, billboard advertising, sales commissions and public relations.
- C. You alone at all times shall be responsible for ensuring Your marketing materials and activities conform to applicable laws and regulations, do not infringe the intellectual property rights of any third party, including the intellectual property rights of third parties whose brands, trademarks, trade names or logos appear on the Products and Services offered for sale at the **Fully Promoted** Store, and conform to any applicable guidelines, directions or permissions published or provided by third parties in relation to the marketing, sale or promotion of the Products and Services that contain or are associated with the brands, trademarks, trade names or logos of third parties. In addition, You shall comply with the criteria and/or guidelines that Franchisor will establish from time to time for marketing and advertising (including public relations) activities. Franchisor may require that Your advertising materials include contact information for obtaining information regarding **Fully Promoted** franchises and the **Fully Promoted** franchise system. Franchisor may, from time to time, provide samples of certain marketing materials that You may duplicate and use, subject to You ensuring Your compliance with all applicable laws and regulations. In addition, Franchisor may provide sample copies of Yellow Pages or other telephone directory advertising or reproduction proofs of newspaper advertising from time to time, which, if observed, will not require any consent from Franchisor. All other marketing campaigns or promotional activities (including public relations) conducted by You shall be subject to the prior written approval of Franchisor whose decision will not be unreasonably delayed. Our review and approval of Your marketing campaigns or promotional activities does not modify Your obligations as set forth in this Section, which remain Your obligations alone and our review and approval is not a warranty of any kind. You shall be solely responsible for ensuring Your materials and activities conform to applicable laws and regulations.
- D. You shall, upon being requested to do so, provide Franchisor with details of Your proposed marketing, advertising and promotional activities. You acknowledge that

Franchisor has explained the importance of the creation and maintenance of a full-time marketing program. You further acknowledge that a vital factor to the success of any **Fully Promoted** Store lies in the creation and maintenance of a full-time marketing program. You agree to create and continuously conduct, during the Term a full-time and ongoing marketing program, and devote a minimum of three (3) hours per day, either personally or through an employee, to conducting such a marketing program. You further agree to create a marketing file and record all marketing activities therein. This file shall remain on the Premises and be available to Franchisor to review upon reasonable notice.

- E. You acknowledge that nothing in this Agreement imposes upon Franchisor or the Fund the duty or the obligation to provide direct or indirect marketing or promotion in relation to the **Fully Promoted** Store. Neither Franchisor nor the Fund can ensure that its marketing or promotional activities will benefit You directly or be proportionate or equivalent to the Marketing Fees that You pay to the Fund.

Thirteen: INSURANCE

- A. You are required to obtain and maintain at Your cost and expense such policies of insurance in such amounts and from such carriers as may reasonably be required by Franchisor from time to time throughout the Term. You shall periodically provide Franchisor with such proof as Franchisor may require from time to time that You have obtained and are maintaining the insurance coverage required hereunder. Such insurance shall include, without limitation:
- i. comprehensive general liability policy with a minimum combined single limit covering bodily injury and property damage with respect to the Premises, products and services, and completed operations of One Million Dollars (\$1,000,000);
 - ii. owned auto insurance with a minimum combined single limit covering bodily injury and property damage of One Million Dollars (\$1,000,000); and
 - iii. all other insurance required by applicable law, including workers' compensation and disability (limits may vary according to geographical location). If the applicable laws in Your state do not require the owners of a business to be covered by workers' compensation insurance, You shall elect coverage for Yourself.
- B. You shall name Franchisor as an additional named insured on all insurance policies required hereunder which policies shall be considered as primary in the event of loss or claim.
- C. You shall not terminate any insurance policy required to be obtained and maintained hereunder, nor modify or amend the terms thereof, without Franchisor's prior written consent, which consent shall not be unreasonably withheld, and each policy must provide that it shall not be canceled, modified or subjected to non-renewal, without at least 10 days prior written notice to Franchisor.
- D. This Section Thirteen references minimum requirements. You should consult Your local

insurance agent and legal counsel to ensure Your Business is adequately insured, You have all insurance required by law or by the terms of any agreement to which You are a party.

Fourteen: TRADEMARKS

- A. You shall only use the Trademarks in connection with the operation of the Business and only in a form and manner approved by Franchisor. All domain names and e-mail addresses used in Your business that include the words **Fully Promoted** or any of the Trademarks must be approved in writing by Franchisor and will be the property of Franchisor.
- B. In no circumstances shall You apply for registration with respect to any of the Trademarks or which would conflict with the Trademarks, nor shall You take any action or refuse or decline to take any action which may result in harm to the Trademarks or put any registrations or applications to register at risk.
- C. You shall comply with Franchisor's instructions in filing and maintaining the requisite fictitious, trade or assumed name registrations for the Trademarks.
- D. You shall, in all representations of the Trademarks, attach in a manner approved by Franchisor such inscription as is usual or proper for indicating that such Trademarks are registered.
- E. You acknowledge that the use of the Trademarks outside the scope of this Agreement, without Franchisor's prior written consent, is an infringement of Franchisor's rights in the Trademarks, and You expressly covenant that during the Term, and after the expiration or sooner termination of this Agreement, You shall not, directly or indirectly, commit an act of infringement or contest, or aid in contesting the validity or right of Franchisor to the Trademarks, or take any other action in derogation of such rights.
- F. In the event of any claim of infringement, unfair competition or other challenge to Your right to use the Trademarks, or in the event You become aware of any use of or claims to the Trademarks by persons other than Franchisor or its franchisees, You shall promptly (but in no event more than 15 days later) notify Franchisor in writing. You shall not communicate with anyone except Franchisor and its counsel in connection with any such infringement, challenge, or claim except pursuant to judicial process. Franchisor shall have sole discretion as to whether it takes any action in connection with any such infringement, challenge or claim, and the sole right to control exclusively any litigation or other proceeding arising out of any infringement, challenge or claim relating to the Trademarks. You must sign all instruments and documents, render any assistance, and do any acts that Franchisor's attorneys deem necessary or advisable in order to protect and maintain Franchisor's interest in any litigation or proceeding related to the Trademarks or otherwise to protect and maintain Franchisor's interests in the Trademarks.
- G. If it becomes advisable at any time, in Franchisor's sole discretion, to modify or discontinue the use of any of the Trademarks and/or use one or more additional or substitute names or marks, for reasons including, but not limited to, the rejection of any pending registration or revocation of any existing registration of any of the Trademarks,

or the superior rights of senior users thereof, You will immediately, upon written notice from Franchisor and at Your expense, make all changes or modifications to the Trademarks as specified by Franchisor.

Fifteen: ASSIGNMENT & RESALE (SALE OF BUSINESS)

- A. You shall have the right to assign the Franchise and to sell the Business with the prior written consent of Franchisor, which consent shall not be unreasonably withheld and subject to the conditions listed in Section C below.
- B. Franchisor will grant to a purchaser of the Business who is acceptable to it a franchise for a period equal to the term then being granted by Franchisor to new franchisees (commencing the date of the sale of the Business) and upon similar terms and conditions to Franchisor's then current form of franchise agreement, excluding the payment of an initial fee.
- C. Subject to Sections D through F below, the conditions required to obtain the written consent of Franchisor to the sale of the Business by You shall be that:
 - i. any prospective purchaser shall submit his offer in writing, shall be bona fide and at arm's length, and shall meet Franchisor's standards with respect to the selection of new franchisees;
 - ii. the prospective purchaser or its management team must agree to successfully complete Franchisor's initial training program prior to assuming the daily duties of the Business;
 - iii. the prospective purchaser must enter into a new franchise agreement prior to attending such training program as may be required by Franchisor which agreement shall require the purchaser to upgrade, modify and/or replace the EPOS system used in the business to the then current system required of new franchisees;
 - iv. Your store is in compliance with Franchisor's current standards for equipment, fixtures, signage, store displays and furnishings or must be brought into compliance prior to the completion of the transfer to the prospective purchaser;
 - v. You or the prospective purchaser shall pay to Franchisor a transfer fee of the greater of \$29,500.00 or the then current transfer fee charged under the then current agreement;
 - vi. You must not, at the time of Your application for consent, be in breach of any of Your obligations to Franchisor under the terms of this Agreement; and
 - vii. payment is made by You of all costs and all obligations by or of You to Franchisor and any suppliers are discharged without any right of deduction or set-off.
- D. You shall, as soon as possible, submit to Franchisor a copy of each written offer or full details of any other offer which You receive from any prospective purchaser to purchase

Your Business from You, together with the following information:

- i. a financial statement and the business history of the prospective purchaser; and
 - ii. details of all terms that may have been agreed or proposed between You and the prospective purchaser.
- E. Franchisor shall, in addition to its other rights under this Agreement, have an option to purchase the Business for the same amount and upon the same terms as the prospective purchaser has offered. In the event of: (i) a transfer or assignment of stock, share capital or similar ownership interest, or (ii) Your insolvency or bankruptcy, the offer shall be for Your interest in this Agreement, and the equipment, inventory, fixtures and leasehold interest used in the operation of the Business. An amount and terms of purchase under these conditions shall be established by a qualified appraiser selected by the parties.
- F. Franchisor shall have a period of 10 days after receipt of written notice and the information referred to in Section D above, to exercise its option to purchase by notice in writing to You. The sale and purchase shall be completed within 15 days following the service of Franchisor's notice, or if any landlord's license is required, 10 days after such license shall have been obtained.
- G. For the purpose of this Section, any change in Your beneficial ownership of the issued share capital or of Your true control shall be deemed to be an assignment of this Agreement. In addition, in the event of any attempt by You to circumvent the provisions of this Section by selling or transferring all or any portion of the assets of the Business without transferring Your rights under this Agreement, You shall be liable to Franchisor for the full amount of the fee due Franchisor under Section Fifteen C.(v) of this Agreement. Nothing within this Section 15.G is intended to or shall be construed as limiting Franchisor's remedies and damages in the event that You violate this Section 15.
- H. In the event of Your death or incapacity, where You are an individual, or in the case that You are a corporation, then in the event of the death or incapacity of the Principal, this Agreement will be transferable without additional fee or penalty, provided that the transferee meets Franchisor's approval, as noted above in this Section Fifteen, which shall not be unreasonably withheld.
- I. Franchisor reserves the right to sell or assign, in whole or in part, its interest in this Agreement. Any sale or assignment shall inure to the benefit of any assignee or other legal successor.

Sixteen: TERMINATION

- A. Franchisor may terminate this Agreement by written notice to You without any opportunity to cure if:
 - i. You fail to commence the Business within the period of 180 days from the date of this Agreement;
 - ii. You fail to keep the **Fully Promoted** Store open for business for a consecutive period of 10 days unless this is because of major refurbishment or repair or

because of the effects of explosion, flood or fire or for a reason to which Franchisor has given its prior written consent;

- iii. in Your franchise application or supporting details You have provided Franchisor with information which contains any false or misleading statements or omits any material fact which may make any statement misleading;
 - iv. You become insolvent, adjudicated a bankrupt, have a voluntary or involuntary petition in bankruptcy or any other arrangement under the bankruptcy laws filed by or against You, make an assignment for the benefit of creditors, or if a receiver or trustee in bankruptcy is appointed to take charge of Your affairs or property;
 - v. You commence dissolution proceedings or have such proceedings commenced against You;
 - vi. You permit a judgment against You to remain unsatisfied or un-bonded of record for 30 days;
 - vii. You knowingly maintain false, inaccurate, or incomplete books or records, or knowingly submit false report to Franchisor;
 - viii. You receive 2 or more prior notices of default hereunder from Franchisor during any twelve (12) consecutive-month period, notwithstanding that such defaults were cured;
 - ix. there shall be a purported or deemed assignment of this Agreement or of the Business other than a sale of the Business under and in accordance with the provisions of Section Fifteen;
 - x. You hire an employee or former employee of Franchisor in violation of Section Six Z; or
 - xi. Franchisor suspects, on reasonable grounds, that any material proprietary information concerning Franchisor's business, the System, or particulars of any communication from Franchisor to You is being or has been communicated in any way to any competitor of Franchisor by You or at Your direction, by any of Your employees (or the Principal or any of Your shareholders) or any other person associated with Your employees, the Principal, or any shareholder; or
- B. In addition to the immediate termination rights set forth in Section Sixteen A, Franchisor may terminate this Agreement by written notice to You if You neglect or fail to perform any of Your other obligations under this Agreement including failure to pay any amounts due to Franchisor under this Agreement or any other obligation of Yours to Franchisor or submit reports, or You fail to provide the Services to the standards required by Franchisor as set out in the Operating Manual, and You fail to remedy such default, neglect or failure to Franchisor's satisfaction within (i) 15 days after written notice from Franchisor in the case of failure to pay any amounts due or, (ii) in the case of any other default, neglect or failure, within 30 days after written notice from Franchisor.
- C. All Your rights under this Agreement shall cease if Franchisor terminates this Agreement

under the provisions of this Section Sixteen.

- D. THIS LICENSE AGREEMENT MAY BE TERMINATED ONLY BY FRANCHISOR AND NO PROVISION IS MADE IN THIS AGREEMENT FOR THE UNILATERAL TERMINATION OF THIS AGREEMENT BY YOU.

Seventeen: CONSEQUENCES OF TERMINATION

Upon the expiration or sooner termination of this Agreement:

- A. You will immediately discontinue the use of the Trademarks, signs, cards, notices and other display or advertising matter indicative of **Fully Promoted**, or of any association with Franchisor or of the **Fully Promoted** Business or Products and Services, and will make or cause to be made such changes in signs, cards, notices and other display or advertising matter, buildings and structures as Franchisor shall direct so as effectively to distinguish the business from its former public image and marketing image as a **Fully Promoted** Store including but not by way of limitation a change in the colors used. If within 30 days of such direction You fail or omit to make or cause to be made any change, then Franchisor shall have the power (without incurring any liability to You), without Your consent, save this consent that You give irrevocably, to enter upon the Premises and to make or cause to be made any such change, at Your expense, which expense You shall pay on demand. In addition, all items that may have been loaned to You by Franchisor, including the Operating Manual, shall be returned immediately to Franchisor at Your expense. You shall also forthwith pay to Franchisor (without any deduction or right of set-off) all sums of money which may be payable or owing (whether or not then due for payment) from You to Franchisor or the Fund.
- B. You shall further and forthwith:
- i. provide Franchisor with an electronic file containing a list (including names addresses and telephone numbers) of all customers and all customer files including artwork, all past invoices, address card-file entries, and business cards; a copy of the customer list may not be sold or otherwise transferred to any person or entity without our written consent; and copies of such information can only be retained by You to the extent needed to file required tax returns;
 - ii. assign to Franchisor in such form as Franchisor shall require, the benefit of such contracts with customers as Franchisor may specify and pay over to Franchisor any sums received on account of such contracts (without any deduction or right of set off);
 - iii. join with Franchisor in canceling any permitted use of the Trademarks;
 - iv. cease the use of all material of whatever nature of which the copyright is vested in Franchisor or where its continued use would in any way infringe Franchisor's copyright; and
 - v. maintain the System and other information relating to the conduct of the Business in strict confidence and secret, and not use, disclose, publish, or otherwise make it available to any third party.

- C. You shall change and, if requested, assign to Franchisor, any listed telephone numbers, fax numbers, domain names and e-mail address relating to the **Fully Promoted** Store and also execute any and all documentation necessary to assign any such telephone and fax numbers, domain names and e-mail address to Franchisor. You hereby authorize and irrevocably constitute and appoint as Your attorney-in-fact for such limited purpose Franchisor to take such actions and to make, execute, and deliver such documents for and on Your behalf as may be required to assign to Franchisor the right to use and own such telephone and fax numbers, domain names and e-mail address, the foregoing power being a power coupled with an interest, and hereby direct the appropriate telephone company, domain name registry and internet service provider to so transfer the ownership of said numbers, domain names and e-mail address as may be directed by Franchisor, in accordance with the Assignment of Telephone Numbers, Domain Names and E-Mail Addresses signed herewith, a copy of which form is attached as Schedule B.
- D. You shall not maintain call forwarding telephone number referral with respect to any telephone numbers formerly used in connection with the **Fully Promoted** Store.
- E. In the event the Premises are leased from a third party, You shall, at Franchisor's option, assign to Franchisor Your interest in the Lease. You shall be and remain liable for all of its obligations accruing up to the effective date of any lease assignment. In conjunction with the foregoing, You shall execute and deliver to Franchisor an Assignment of Lease in such form as may be requested by Franchisor.
- F. Non-compete Covenant:
- i. Upon the expiration or termination of this Agreement and for a period of two years thereafter, You shall not, within a radius of twenty five miles from the Premises or the premises of any other **Fully Promoted** store, be engaged, concerned, or interested in any capacity whatsoever in a business which competes with the **Fully Promoted** Business or any other business within the **Fully Promoted** Network (except as the holder of not more than 5% of the shares in any company whose shares are listed or dealt in any Stock Exchange or other recognized public market).
 - ii. You shall not, for a period of eight months after the expiration or termination of this Agreement, solicit for business from any person who was, during the period of two years prior to such expiration or termination, a regular customer of or in the habit of dealing with the Business.
 - iii. You acknowledge and confirm that the length of the term and geographical restrictions contained in this Section Seventeen F. are fair and reasonable and not the result of overreaching, duress, or coercion of any kind. You further acknowledge and confirm that Your full, uninhibited, and faithful observance of each of the covenants contained in this Section Seventeen F. will not cause You any undue hardship, financial or otherwise, and that enforcement of each of the covenants contained in this Section will not impair Your ability to obtain employment commensurate with Your abilities and on terms fully acceptable to You, or otherwise to obtain income required for the comfortable support of Your family, and Your satisfaction of the needs of Your creditors. You acknowledge

and confirm that Your special knowledge of the business of a **Fully Promoted** Store (and anyone acquiring such knowledge through You) is such as would cause Franchisor and its franchisees serious injury and loss if You (or anyone acquiring such knowledge through You) were to use such knowledge to the benefit of a competitor or were to compete with Franchisor or any of its franchisees.

- iv. In the event any court shall finally hold that the time or territory or any other provision stated in this Section constitutes an unreasonable restriction upon You, You agree that the provisions of this Agreement shall not be rendered void, but shall apply as to time and territory or to such other extent as such court may judicially determine or indicate constitutes a reasonable restriction under the circumstances involved.
- G. Franchisor shall have the option (but not the obligation) to be exercised by providing written notice of intent to do so, within 30 days after the expiration or sooner termination of this Agreement, to purchase any items bearing the Trademarks or other assets owned by You, including, without limitation, any or all signs, advertising materials, supplies, inventory, equipment, furnishings, fixtures, or other items at a price equal to Your cost or fair market value, whichever is less. If the parties cannot agree on fair market value within a reasonable time, an independent appraiser shall be designated by Franchisor whose costs shall be borne equally by the parties, and his or her determination shall be final and binding. The fair market value of tangible assets shall be determined without reference to good will, going concern value, or other intangible assets. If Franchisor elects to exercise its option to purchase, it shall have the right to set off all amounts due from You under this Agreement, and the cost of the appraisal, if any, against any payment to You. Should You fail or refuse to execute and deliver the necessary documents to transfer good title to Your assets to Franchisor, or its nominee, Franchisor shall be entitled to apply to any court of competent jurisdiction for a mandatory injunction to compel You to comply with the rights granted in this Agreement. All costs and expenses relating to such litigation, including Franchisor's reasonable attorneys' fees and costs, shall be payable by You to Franchisor, upon demand, and may be credited by Franchisor to the agreed purchase price.

Eighteen: ENTIRE AGREEMENT; FAILURE TO EXERCISE RIGHTS NOT TO BE A WAIVER

- A. You acknowledge:
- i. that You have been told that if there are any pre-contractual statements which You consider have been made to You which have induced You to enter into this Agreement, You are obliged to submit the particulars thereof to Franchisor so that any misconceptions or misunderstandings can be resolved. In such case, an agreed form of pre-contractual statements upon which You relied on may be annexed to and made part of this Agreement;
 - ii. You have been given the opportunity to provide Franchisor particulars of any pre-contractual statements which You consider have been made to You which have induced You to enter into this Agreement; and

- iii. this Agreement therefore contains the entire agreement between the parties and accordingly no pre-contractual statements shall add to or vary this Agreement or be of any force or effect unless such pre-contractual statements are either contained in this Agreement or in an annex to it, and You waive any right You may have to sue for damages and/or rescind this Agreement for any pre-contractual statements not contained in this Agreement or an annex to it. Nothing in this Agreement shall be considered a waiver of reliance by You on the representations made in the Disclosure Document or its exhibits or amendments.
- B. In this Section, the expression “pre-contractual statements” includes written or oral pre-contractual statements or agreements, financial statements, profit projections, representations, warranties, inducements or promises whether or not made innocently or negligently.
- C. Your waiver contained in this Section shall be irrevocable and unconditional, but it is expressly provided that such waiver shall not exclude any liability of Franchisor for pre-contractual statements made by it fraudulently.
- D. No failure of Franchisor to exercise any power given to it under this Agreement or to insist upon strict compliance by You with any obligation and no custom or practice of the parties at variance with the terms of this Agreement shall constitute any waiver of any of Franchisor’s rights under this Agreement.
- E. Waiver by Franchisor of any particular default by You shall not affect or impair Franchisor’s rights in respect to any subsequent default of any kind by You nor shall any delay or omission of Franchisor to exercise any rights arising from any of Your defaults affect or impair Franchisor’s right in respect to said default or any other default of any kind.

Nineteen: INDEPENDENT CONTRACTOR

- A. This Agreement does not create a fiduciary relationship or the relationship of principal and agent between You and Franchisor. Franchisor is an independent contractor and, except as expressly permitted under this Agreement for certain rights of Franchisor, neither You nor Franchisor will under any circumstances, act or hold itself out as an agent or representative of the other nor incur any liability or create any obligation whatsoever in the name of the other.
- B. You agree to take such affirmative action as may be requested by Franchisor to indicate that You are an independent contractor, including placing and maintaining a plaque in a conspicuous place within the Premises and a notice on all stationery, business cards, sales literature, contracts, and similar documents and in email signatures which states that the **Fully Promoted** Store is independently owned and operated by You. The content of such plaque and notice is subject to the prior written approval of Franchisor.
- C. You agree to take affirmative action to ensure that Your Manager and staff are conspicuously aware of the proper identity of their employer which is You and not Franchisor and are also aware that notwithstanding any advice, guidance, standards and specifications provided by Franchisor to Your Business, Franchisor is not an employer,

co-employer or joint employer with You of Your employees.

Twenty: ACKNOWLEDGEMENTS AS TO ADVICE GIVEN AND OTHER MATTERS

- A. You hereby acknowledge the exclusive right of Franchisor in and to the **Fully Promoted** System as presently developed or as it may be improved and expanded during the term of this Agreement, including practices, know-how, trade secrets, designs, marks, logos, window graphics, store decoration, signs, and slogans presently in use and to be used hereafter.
- B. You understand and acknowledge the importance of Franchisor's high standards of quality and service and the necessity of operating the business franchised hereunder in strict conformity with Franchisor's standards and specifications.
- C. You acknowledge that Franchisor, in giving advice to and assisting You in establishing the Business (including but without prejudice to the generality of the foregoing recommending equipment and materials, and the assessment of Your suitability) bases its advice and recommendations on experience actually obtained in practice and is not making or giving any representations, guarantees or warranties except that its advice is based upon such previous experience as it has and the degree of success or lack of success in its dealings on its own account and with its franchisees. You acknowledge that You have been advised by Franchisor to discuss Your intention to enter into this Agreement with other franchisees of Franchisor and Your business advisors and that You must decide on the basis of Your own judgment of what You have been told by Franchisor or such other franchisees whether or not to enter into this Agreement. You further acknowledge that You recognize that the business venture contemplated by this Agreement involves business risks and that Your success will be affected by Your ability and commitment as an independent businessperson.
- D. Except where the context otherwise requires, each of the restrictions contained in this Agreement and in each Section and Paragraph shall be construed as independent of every other restriction and of every other provision of this Agreement, and the existence of any claim or course of action by You against Franchisor whatsoever shall not constitute a defense to the enforcement by Franchisor of said restrictions or of any of them.
- E. It is expressly agreed between the parties hereto that having regard to the recitals and other provisions of this Agreement, each of the restrictive covenants contained in this Agreement and in each Section and Paragraph is reasonably necessary for the protection of Franchisor, Franchisor's intellectual property rights and the other franchisees of Franchisor and does not unreasonably interfere with the freedom of action by You. You acknowledge that You have been advised by Franchisor to obtain independent legal advice before executing this Agreement, and that You are fully aware of its provisions and accept that they are fair and reasonable in all the circumstances known to or in the contemplation of Franchisor and You as of the date of this Agreement. In particular, You acknowledge that the provisions of this Agreement relating to the limits on Your right to make deductions or set offs (to which You may claim to be entitled) against payment of Royalties are fair and reasonable. You recognize that Your failure or refusal to make payments of such fees or contributions because of Your dissatisfaction with Franchisor's performance may result in Your continued involvement in the **Fully Promoted** Network

being subsidized by other franchisees who make payment of such fees and contributions. You also recognize that Your failure to pay such fees and contributions may adversely and materially affect the provision of services to franchisees who are members of the **Fully Promoted** Network. You accept that the remedies available to You are not affected by the set-off or deduction provisions of this Agreement and the remedies are sufficient for Your purposes including as they do a right to sue for damages.

- F. You warrant that, except pursuant to an agreement with Franchisor entered into prior to the execution of this Agreement, You had no direct knowledge of the **Fully Promoted** Business or how to operate a business similar to the **Fully Promoted** Business or how to conduct the **Fully Promoted** Business or of Franchisor's trade secrets, know-how, methods or the System.
- G. In order to enable Franchisor to ascertain whether You are complying with the obligations imposed upon You under this Agreement, and in order to enable Franchisor to enforce rights given to it by this Agreement, Franchisor may, at any reasonable time, enter the Premises without Your consent.
- H. YOU SPECIFICALLY ACKNOWLEDGE THAT THERE IS NO **FULLY PROMOTED** STORE THAT MAY BE CONSIDERED TO BE A "TYPICAL" OR "AVERAGE" CENTER. FRANCHISOR MAKES NO REPRESENTATIONS OR GUARANTEES AS TO NET/GROSS SALES, PROFITS, COSTS OR EARNINGS YOU CAN EXPECT. YOU ARE NOT ENTITLED TO ANY COMPENSATION OR REIMBURSEMENT FOR LOSS OF PROSPECTIVE PROFITS, ANTICIPATED SALES, OR OTHER LOSSES OCCASIONED BY CANCELLATION OR TERMINATION. NO PERSON IS AUTHORIZED TO GIVE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED IN OR INCORPORATED IN THIS FRANCHISE AGREEMENT AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATION SHOULD NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED.

Twenty-One: NO WARRANTIES WITHOUT AUTHORITY

You shall make no statements, representations, or claims and shall give no warranties to any customer or prospective customer in respect to the Products sold by You or the Services or the System or any of them, except for those warranties which are implied by law or may have been specifically authorized in writing by Franchisor.

Twenty-Two: ACTIONS AGAINST FRANCHISEE

In the event any claim, demand, action, or proceeding is brought against You, or if You are notified of any violation of an applicable rule or statute, You will immediately (but in no event later than five days of such notification) notify Franchisor thereof, giving full particulars, and will diligently and expeditiously defend, compromise, cure, or satisfy such claim, action, demand, proceeding, or violation.

Twenty-Three: ADDITIONAL REMEDIES OF FRANCHISOR

- A. You recognize that the business franchised hereunder is intended to be one of a large number of businesses identified by the Trademarks in selling to the public the products

and services associated with the Trademarks, and hence the failure on the part of a single franchisee to comply with the terms of its franchise agreement is likely to cause irreparable damage to Franchisor, and damages at law would be an inadequate remedy. Therefore, notwithstanding any other provision of this Agreement, You agree that in the event of a breach or threatened breach of any of the terms of the Agreement by You, Franchisor shall be entitled to seek an injunction restraining such breach and/or decree of specific performance, without showing or proving any actual damage, together with recovery of reasonable attorneys' fees and costs incurred in obtaining said equitable relief. The foregoing equitable remedy shall be in addition to all remedies or rights that Franchisor may otherwise have by virtue of any breach of this Agreement by You. Franchisor shall be entitled to seek such relief without the posting of any bond or security, and if a bond shall nevertheless be required by a court of competent jurisdiction, the parties agree that the sum of \$100 shall be a sufficient bond.

- B. Franchisor shall also be able to seek injunctive relief to prohibit any act or omission by You or Your employees that constitutes a violation of any applicable law, is dishonest or misleading to Your customers or other businesses, or constitutes a danger to Your employees or customers or to the public or which may impair the goodwill associated with the Trademarks.
- C. You expressly consent and agree that Franchisor may, in addition to any other available remedies, obtain an injunction to terminate or prevent the continuance of any existing default or violation, and/or to prevent the occurrence of any threatened default by You of this Agreement.

Twenty-Four: NOTICES

- A. All notices that Franchisor is required or may desire to give to You under this Agreement may be delivered personally or may be sent by certified mail or registered mail, postage prepaid, addressed to You at either the Premises address, or home address as noted in this agreement. All notices which You may be required or desire to give to Franchisor shall be sent by certified mail or registered mail, postage prepaid, addressed to: EmbroidMe.com, Inc. 2121 Vista Parkway, West Palm Beach, FL 33411. The addresses herein given for notices may be changed at any time by either party by written notice given to the other party as herein provided. Notices shall be deemed given upon personal delivery or 2 business days after deposit in the U.S. Mail.
- B. You must provide Franchisor with immediate written notice of any breach of this Agreement, or any other agreement between You and any of the following parties, that You believe to have been committed or suffered by Franchisor, its affiliates, or their respective owners, officers, directors, employees, or representatives. Notice of such breaches extends, without limitation, to breaches arising out of, or related to, the negotiation or performance of this Agreement by Franchisor or concerning misrepresentations or any acts of misfeasance or nonfeasance. If You fail to give Franchisor written notice within one year from the date of any such breach, then such breach shall be deemed to have been waived by You and, thereupon, You shall be permanently barred from commencing any action relating to such believed breach.

Twenty-Five: MEDIATION AND ARBITRATION; EQUITABLE RELIEF

- A. Except as stated in Section Twenty Three, any controversy or claim arising out of or relating to this Agreement, the business franchised hereunder or the relationship between the parties, including any claim that this Agreement, or any part thereof, is invalid, illegal, or otherwise void, shall be submitted to arbitration before the CPR Institute or the American Arbitration Association in accordance with its commercial arbitration rules, or any other mutually agreeable arbitration association. However, prior to any arbitration proceeding taking place, either party may, at its option, submit the controversy or claim to non-binding mediation before the CPR Institute in accordance with its National Franchise Mediation Program or the American Arbitration Association, if the CPR Institute or other mutually agreeable mediator, is unable to conduct the mediation, in which event both parties shall execute a confidentiality agreement reasonably satisfactory to Franchisor. Upon submission, the obligation to attend mediation shall be binding on both parties. Each party will bear its own costs with respect to the mediation, except the fee for the mediator will be split equally. If the controversy or claim is submitted to arbitration, the reasonable attorney fees and costs of the prevailing party in the arbitration shall be paid by the non-prevailing party. The fee of the arbitrator(s) shall be split equally by the parties.
- B. The provisions of this Section Twenty-Five shall be construed as independent of any other covenant or provision of this Agreement; provided that if a court of competent jurisdiction determines that any such provisions are unlawful in any way, such court shall modify or interpret such provisions to the minimum extent necessary to have them comply with the law. Notwithstanding any provision of this Agreement relating to the state laws under which this Agreement shall be governed by and construed under, all issues relating to its appropriateness for arbitration or the enforcement of the agreement to arbitrate contained in this Agreement shall be governed by the United States Arbitration Act (9 U.S.C. § 1 et seq.).
- C. Judgment upon an arbitration award may be entered in any court having competent jurisdiction and shall be binding, final, and cannot be appealed. Franchisor and You (and their respective 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 them each shall be limited to the recovery of any actual damages sustained by it.
- D. Prior to any arbitration proceeding taking place, Franchisor or You may, at its respective option, elect to have the arbitrator conduct, in a separate proceeding prior to the actual arbitration, a preliminary hearing, at which hearing testimony and other evidence may be presented and briefs may be submitted, including a brief setting forth the then applicable statutory or common law methods of measuring damages in respect of the controversy or claim being arbitrated.
- E. This Section shall be deemed to be self-executing and shall remain in full force and effect after the expiration or sooner termination of this Agreement. In the event either party fails to appear at any properly noticed arbitration proceeding, an award may be entered against such party by default or otherwise notwithstanding such failure to appear.

- F. Mediation shall take place in Your home state. Arbitration shall take place in the city and state of Franchisor's national headquarters.
- G. You acknowledge and agree that it is the intent of the parties that mediation or arbitration between Franchisor and You shall be of Franchisor's and Your individual claims, and that none of Your claims shall be mediated or arbitrated on a class-wide basis or on a joined or consolidated claim basis.

Twenty-Six: MISCELLANEOUS PROVISIONS

- A. This Agreement shall be binding upon the parties hereto, their heirs, successors, and permitted assigns. All persons signing as You shall be jointly and severally liable for Your obligations to Franchisor under this and any other agreements between the parties.
- B. As to any provision in this Agreement wherein approval is required, or modification desired, such approval or modification must be in writing and signed by the party to be charged.
- C. If any portion of this Agreement is declared to be invalid by any court, such determination shall not affect the balance of this Agreement and the same will remain in full force and effect.
- D. The parties acknowledge that a substantial portion of the negotiations, anticipated performance and execution of this Agreement occurred or shall occur in Palm Beach County, Florida, and that, therefore, each of the parties irrevocably and unconditionally: (a) agrees that any suit, action or legal proceeding arising out of or relating to the offer, negotiation, performance, validity or interpretation of this Agreement, where a Court of competent jurisdiction shall permit a suit to arise rather than compelling arbitration as called for under Section Twenty Five of this Agreement, shall be brought only in the courts of record of the State of Florida in Palm Beach County or the District Court of the United States, Southern District of Florida; (b) consents to the jurisdiction of each such court in any suit, action or proceeding; (c) waives any objection which he, she or it may have to the laying of venue of any such suit, action or proceeding in any of such courts; and (d) agrees that service of any court paper may be effected on such party by mail, as provided in this Agreement, or in such other manner as may be provided under applicable laws or court rules in the State of Florida. Notwithstanding the foregoing, if Franchisor deems it necessary to commence an action in Your jurisdiction to more fully or expeditiously determine, interpret or protect its rights, it may do so.
- E. Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. §§ 1051 et seq.), this Agreement and any other agreement relating to this Agreement and all transactions contemplated by this Agreement and any other agreement relating to this Agreement shall be governed by, and construed and enforced in accordance with, the internal laws of the State of Florida without regard to principles of conflicts of laws.
- F. The captions herein are inserted for convenience only, and will not be deemed or construed to be a part of this Agreement or to define or limit the contents of the paragraph thereof.

G. You acknowledge that State and Federal law may require Franchisor to disclose Your home address in particular circumstances. You agree and give Your consent to use the same.

H. THIS AGREEMENT AND THE SCHEDULES ATTACHED HERETO AND MADE A PART HEREOF CONTAIN THE ENTIRE AGREEMENT OF THE PARTIES. NO OTHER AGREEMENTS, WRITTEN OR ORAL, SHALL BE DEEMED TO EXIST, AND ALL PRIOR AGREEMENTS AND UNDERSTANDINGS, EXCEPT FOR OR OTHER THAN THOSE CONTAINED IN THE DISCLOSURE DOCUMENT AND ANY ADDENDUMS OR AMENDMENTS THERETO, ARE SUPERSEDED HEREBY. THIS AGREEMENT SHALL NOT BE BINDING UPON FRANCHISOR UNTIL EXECUTED BY AN AUTHORIZED OFFICER THEREOF. THIS AGREEMENT CANNOT BE MODIFIED OR CHANGED EXCEPT BY A WRITTEN INSTRUMENT SIGNED BY ALL OF THE PARTIES HERETO.

THE PARTIES HERETO acknowledge that they have read and fully understand all of the above and foregoing. By signing below, each party agrees to abide by all of the terms and conditions contained in this Agreement.

**EMBROIDME.COM, INC. D/B/A
FULLY PROMOTED**

FRANCHISEE:

By: _____
Print Name/Title:

Signature: _____
Print Name:

Date: _____

Date: _____

Signature: _____
Print Name:

Date: _____

Corporate Name (If Applicable):

By: _____
Print Name/Title Corporate Official:

Date: _____

STATE OF ILLINOIS

ADDENDUM TO FRANCHISE AGREEMENT

1. Section Twenty-Six, entitled "MISCELLANEOUS PROVISIONS", of the Franchise Agreement is hereby amended by the addition of the following language to the original language that appears therein:

"Under Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act or any other Law of this State is void."

2. Section Twenty-Six D. and E. of the Franchise Agreement are amended to read as follows:

- D. ~~Each of the parties (a) agrees that any suit, action, or legal proceeding arising out of or relating to the offer, negotiation, performance, validity, or interpretation of this Agreement where a Court of competent jurisdiction shall permit a suit to arise rather than compelling arbitration as called for under Section 25, shall be brought only in the Federal or State courts of record of the State of Illinois; (b) consents to the jurisdiction of each such court in any suit, action, or proceeding; (c) waives any objection where he, she, or it may have to the laying of venue of any such suit, action, or proceeding in any of such courts; and (d) agrees that service of any court paper may be effected on such party by mail, as provided in this Agreement, or in such other manner as may be provided under applicable laws or court rules in the State of Illinois.~~ 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.
- E. Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. §§1051 et seq.), this Agreement on any other agreement relating to this Agreement, and all transactions contemplated by this Agreement and any other agreement relating to this Agreement, shall be governed by and construed and enforced in accordance with the internal laws of the State of Illinois without regard to principles of conflicts of laws.

3. ~~Section 26 H. of the Franchise Agreement is amended to read as follows:~~

~~THIS AGREEMENT AND THE SCHEDULES ATTACHED HERETO AND MADE A PART HEREOF CONTAIN THE ENTIRE AGREEMENT OF THE PARTIES. NO OTHER AGREEMENTS, WRITTEN OR ORAL, SHALL BE DEEMED TO EXIST, AND ALL PRIOR AGREEMENTS AND UNDERSTANDINGS, EXCEPT FOR OR OTHER THAN THOSE CONTAINED IN THE FRANCHISE DISCLOSURE DOCUMENT, ARE SUPERSEDED HEREBY. THIS AGREEMENT SHALL NOT BE BINDING UPON EMBROIDME.COM UNTIL EXECUTED BY AN AUTHORIZED OFFICER THEREOF. THIS AGREEMENT CANNOT BE MODIFIED OR CHANGED EXCEPT BY A WRITTEN INSTRUMENT SIGNED BY ALL OF THE PARTIES HERETO.~~

The undersigned hereby acknowledge having read this Addendum, they understand its contents, agree to be bound by all of its terms, and agree it shall become effective the _____ day of _____, 201__.

EMBROIDME.COM, INC.
D/B/A FULLY PROMOTED

By: _____

Initials _____

Franchisor

Franchisee

Franchisee

STATE OF MARYLAND

ADDENDUM TO THE FRANCHISE AGREEMENT

1. Section Twenty-Six E. of the Franchise Agreement is amended by adding the following language:

“A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.”

2. Section Two E. of the Franchise Agreement is amended by adding the following language:

Nothing in this Franchise Agreement or any related Agreement requiring You to assent to a release, estoppel, or waiver of liability is intended to nor act as a release, estoppel, or waiver of any liability under the Maryland Franchise Registration and Disclosure Law.”

3. Section Twenty-Six H. of the Franchise Agreement is amended to read as follows:

THIS AGREEMENT AND THE SCHEDULES ATTACHED HERETO AND MADE A PART HEREOF CONTAIN THE ENTIRE AGREEMENT OF THE PARTIES. NO OTHER AGREEMENTS, WRITTEN OR ORAL, SHALL BE DEEMED TO EXIST, AND ALL PRIOR AGREEMENTS AND UNDERSTANDINGS ARE SUPERSEDED HEREBY. THIS AGREEMENT SHALL NOT BE BINDING UPON EMBROIDME.COM, INC. UNTIL EXECUTED BY AN AUTHORIZED OFFICER THEREOF. THIS AGREEMENT CANNOT BE MODIFIED OR CHANGED EXCEPT BY A WRITTEN INSTRUMENT SIGNED BY ALL OF THE PARTIES HERETO.

NOTHING IN THE AGREEMENT OR IN ANY RELATED AGREEMENT IS INTENDED TO DISCLAIM THE REPRESENTATIONS WE MADE IN THE DISCLOSURE DOCUMENT.

4. We have posted a surety bond with SureTec Insurance Company. This surety bond is on file with the Maryland Securities Division.

Date: _____

EMBROIDME.COM, INC.
D/B/A FULLY PROMOTED

FRANCHISEE:

By: _____

STATE OF MINNESOTA

ADDENDUM TO FRANCHISE AGREEMENT

1. Section Two E of the Franchise Agreement is amended by adding the following language:

“The general release that is required as a condition of a renewal, sale, or transfer of the franchise shall not apply to liability of the Franchisor under the Minnesota Franchisor Act, MINN STAT §80C.01-22.”

2. Section Sixteen B. of the Franchise Agreement is amended by adding the following language:

“Minnesota Law provides franchisees with certain termination and non-renewal rights. Minn. Stat. Sec. 80C.-14, Subds. 3, 4, and 5 require, except in certain specified cases, that a franchisee be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice for non-renewal of the franchise agreement”.

3. Section Twenty-Six D. of the Franchise Agreement is amended by adding the following language:

“Minn. Stat. 80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside of Minnesota. In addition, nothing in the Disclosure Document or this Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights as provided for by the laws of the jurisdiction.”

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

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

Date: _____

EMBROIDME.COM, INC.
D/B/A FULLY PROMOTED

By _____

Franchisee

Franchisee

STATE OF NORTH DAKOTA

ADDENDUM TO FRANCHISE AGREEMENT

This Addendum to the Franchise Agreement is agreed to this ____ day of _____, 20__, between Franchisor and Franchisee herein, to amend and revise said agreement as follows:

1. Section Two. E of the Franchise Agreement is amended by the following:

The Commissioner has determined that franchise agreements which require the franchisee to sign a general release upon renewal of the franchise agreement are unfair, unjust, and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

2. Section Seventeen F of the Franchise Agreement is amended by the addition of the following language to the original language that appears therein:

Covenants not to compete upon termination or expiration of a franchise agreement are generally considered unenforceable in the State of North Dakota.

3. Section Twenty-Five of the Franchise Agreement is amended by the addition of the following language to the original language that appears therein:

Any provision that provides that the parties waive their right to claim punitive, exemplary, incidental, indirect, special or consequential damages or any provision that provides that parties waive their right to a jury trial may not be enforceable under North Dakota Law.

The Commissioner has determined that franchise agreements which provide that parties agree to the arbitration of disputes at a location that is remote from the site of the franchisee's business are unfair, unjust, or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

Section 51-19-09 of the North Dakota Franchise Investment Law provides that any provision in a franchise agreement requires that jurisdiction or venue in a forum outside of North Dakota is void with respect to any cause of action which is otherwise enforceable in North Dakota.

4. Section Twenty-Six E. of the Franchise Agreement is amended by substituting State of North Dakota for State of Florida as the applicable law.

EMBROIDME.COM, INC.
D/B/A FULLY PROMOTED

BY: _____

Franchisee

Initials _____

STATE OF RHODE ISLAND

ADDENDUM TO FRANCHISE AGREEMENT

In recognition of the requirements of the State of Rhode Island Franchise Investment Act §19-28.1 et seq., the Franchise Agreement for EmbroidMe.com, Inc., for use in the State of Rhode Island, is amended as follows:

1. **Section Twenty.** shall be amended to add: §19-28.1-21 (a) A person who violates any provision of this act is liable to the franchisee for damages, costs, and attorneys and experts' fees. In the case of a violation of §§19-28.1-5, 19-28.1-8, or 19-28.1-17(1)-(5), the franchisee may also sue for rescission. No person shall be liable under this section if the defendant proves that the plaintiff knew the facts concerning the violation. (b) Every person who directly or indirectly controls a person liable under this section, every principal executive officer or director of the liable person, every person occupying a similar status or performing similar functions, and every agent or employee of a liable person, who materially aids in the act or transaction constituting the violation, is also liable jointly and severally with and to the same extent as the person liable under this section, unless the agent, employee, officer, or director proves he or she did not know, and in the exercise of reasonable care could not have known of the existence of the fact by reason of which the liability is alleged to exist.
2. **Sections Twenty-Five F and Twenty-Six E.** shall be amended to add: §19-28.1-14 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.

Date: _____

EMBROIDME.COM, INC.
D/B/A FULLY PROMOTED

FRANCHISEE:

By: _____

STATE OF WASHINGTON

AMENDMENT TO FRANCHISE AGREEMENT

The State of Washington has a Statute, RCW 19.100.180 which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration involving a franchise purchased in Washington, the arbitration site shall be either in the State of Washington, or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator.

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall prevail.

A release or waiver of rights executed by a franchisee shall not include rights under the Washington Franchise Investment Protection Act except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, rights or remedies under the Act such as a right to a jury trial may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

EMBROIDME.COM, INC.
D/B/A FULLY PROMOTED

By: _____
Franchisor

The undersigned does hereby acknowledge receipt of this addendum.

Dated this ____ day of _____, 20__.

Franchisee

Franchisee

STATE OF WISCONSIN

ADDENDUM TO FRANCHISE AGREEMENT

THE WISCONSIN FAIR DEALERSHIP LAW SUPERSEDES ANY PROVISIONS OF THE FRANCHISE AGREEMENT INCONSISTENT WITH SAID LAW. WISCONSIN FAIR DEALERSHIP LAW, CHAPTER 135, 1973.

Section Sixteen – Termination: In accordance with the State of Wisconsin Fair Dealership Laws, the Franchisor, directly or through any officer, agent, or employee, may terminate, cancel, fail to renew, or substantially change the competitive circumstances of the franchise agreement with good cause. The burden of proving good cause shall be on the grantor.

The Franchisor shall provide Franchisee at least 90 days' prior written notice of termination, cancellation, non-renewal, or substantial change in competitive circumstances, and Franchisee shall have 60 days in which to rectify any claimed deficiency. If the deficiency is rectified within 60 days, the notice shall be deemed void.

The above notice provision shall not apply if the reason for termination, cancellation, or non-renewal is insolvency, the occurrence of any assignment for the benefit of creditors, or bankruptcy. If the reason for termination, cancellation, non-renewal, or substantial change in competitive circumstances is nonpayment of sums due under the license, the Franchisee shall be entitled to written notice of such default and shall have 10 days to remedy such default from the date of delivery or posting of such notice.

Section Seventeen – Consequences of Termination: In the event the Franchise granted herein is terminated by the Franchisor, as provided for above, then at the option of the Franchisee, the Franchisor shall repurchase all inventory sold by it to the Franchisee for resale under this Agreement at the fair, wholesale market value of such items. Such repurchase shall be only for merchandise that has affixed or printed on it a name, trademark, label, or other mark which identifies the Franchisor.

EMBROIDME.COM, INC.
D/B/A FULLY PROMOTED

BY: _____
Franchisor

Franchisee

Franchisee

Initials _____

FULLY PROMOTED
Schedule A - United States 20162017

SINGLE HEAD EMBROIDERY MACHINE

An **Electronic Single-Head Embroidery Machine** features an LCD screen with fifteen different needles to accommodate a large sewing field. This machine is capable of running small to oversized pieces. It can sew 1,000 stitches per minute and includes hoops and necessary accessories.

ALL-IN-ONE PRINTER AND VINYL CUTTER

A compact 4 color process material print cut machine combines silver with other colors for unique metallic tones. The automatic contour cutting eliminates the need for reloading and/or repositioning. Machine comes with a startup package of Cyan, Magenta, Yellow and Black inks and a popular assortment of heat transfer materials. A custom stand will be provided.

EMBROIDERY STARTER KIT

This kit contains a variety of items such as thread, backing, scissors, and various needles. Also included is a collection of frames. There are frames to hold non-wearables (bags, dog collars, blankets, etc.) and a separate frame to give you the ability to monogram on finished pockets. A folding system is provided so you can neatly fold completed shirts.

GRAPHIC DESIGN STATION

The **Graphic Design Station** consists of a high speed graphics card and Intel Quad- Core Processor, 16GB Ram and large capacity SATA 3 hard drive with a high resolution LCD monitor. This station features a network interface card, a keyboard and mouse set, a multi speed DVD/CD-RW Drive, all necessary cables, switches and installation. This computer also has a warranty of Onsite/In-Home Service after remote diagnosis for 3-years.

GRAPHIC DESIGN SOFTWARE PACKAGE

This package includes clip art and fonts for custom designs for heat transferred, promotional products and screen-printed items.

SOFTWARE SYSTEM/EQUIPMENT LICENSE

This license entitles you to utilize the Fully Promoted business software system on the computers provided.

EMBROIDERY SOFTWARE

Included in this package is the **Embroidery Software** with a collection of embroidery fonts, which is used to design, edit and produce stitched designs for your customers.

EMBROIDERY STOCK DESIGN PACKAGE

Choose up 25 designs per month with this one-year subscription for embroidered stock designs. These designs will be used to help new clients design a logo or individual customers looking for specialty items.

MANAGEMENT AND DESIGN DESKS

Two (2) laminate desks with dual pedestals for your **Management Station** and your **Graphic Design Station are included**. These desks will allow proper file storage and work area for you or your manager and your sales person.

SALES DESK

This sales desk is a single pedestal laminated work space for your sales representative. This is a great work area for the short time they are in the office working on quotes and follow up calls. There is plenty of space for storage and to hold their **Marketing Tablet**.

PRINTER STAND

A compact multi-use printer stand features adjustable shelves for storage of paper and other office supplies. This stand is used for your **Network Printer** and includes casters for easy mobility.

POWER BACKUP SYSTEM

A battery backup and advanced surge protection system helps to prevent your **POS, Management, and Graphic Design Station** computers from data loss.

HOOPING STATION

This shirt-hooping gauge aids in the placement of embroidered logos and text on shirts. Included is a pocket alignment guide to assist in the placement of logos above pockets.

STEAMER

The steamer is used to provide a clean finished look to your sample shirts and the completed items for customers.

HEAT PRESS

This stand alone, heavy-duty heat press enables you to provide customers with photographic t-shirts, mouse pads, bags & more. It also serves as the machine that applies lettering to team jerseys, uniforms & T-Shirts. The Auto Release Feature on this heat press will automatically open the heat press when production is complete.

CUSTOMIZED PRODUCTION TABLE & HEAT PRESS TABLE

These heavy-duty worktables provide a work surface used during several stages of embroidering garments including hooping, trimming and finishing. One table is lower for ergonomic use of your heat press.

PRODUCTION SCHEDULING SYSTEM

A **Production Scheduling System** is designed to aid you in scheduling and delivering your product on time, used with a **production filing system** which houses all necessary information to complete jobs. A **staging area** completes this system for storage and organization of your work.

POINT OF SALE STATION

The **Point of Sale Station** consists of a high speed Intel processor and a **high resolution LCD monitor**. This station features a large capacity hard drive, a keyboard and mouse set, a multi

speed DVD/CD-RW Drive, soundcard, all necessary cables, switches and installation. This station operates the **Business Management Software P.O.S. (Point of Sale)**.

CUSTOMIZED BUSINESS SOFTWARE

The **Business Management Software P.O.S. (Point of Sale)** is utilized to quickly and accurately price your customer's orders. In addition, your Business Management Software P.O.S. provides you with automated invoicing and customer tracking. The **Accounting Software** can be used to record monthly sales & expenses, generate business reports and customer mailing lists. The entire package has been designed to help your business run smoothly and efficiently. (A monthly subscription is required for your maintenance and updates.)

P.O.S. STATION LASER PRINTER

Invoices, quotation forms and record keeping reports are easily generated on this black and white laser printer that is linked to your **Point of Sale Station**.

ONLINE SUPPORT CENTER AND RESOURCES (UFG HUB)

Access to our proprietary vendor/product-listing program known as **UFG Hub**, will be used to easily find vendors, get product information, send and receive internal messages, communicate with other franchisees and download logos with the click of a mouse.

MANAGEMENT COMPUTER

The **Management Computer Station** consists of a high speed Intel processor and a **high resolution LCD monitor**. This station features a large capacity hard drive, a keyboard and mouse set, a multi speed DVD/CD-RW Drive, soundcard, all necessary cables, switches and installation.

MARKETING TABLET

A **Marketing Tablet** with a connection device to connect the tablet to your flat screen televisions and with Wi-Fi capabilities is included with your package. This Marketing Tablet is specifically for your sales and marketing to grow and promote your business.

LED-HDTV/MONITORS

Two (2) LED high definition television/monitors will be provided. One will be used in your conference room for presentations to your clients. The second will be used in the production area for assist your team with scheduling their many jobs. Wall mounting hardware is included.

CUSTOM CONFERENCE ROOM GRAPHIC DISPLAYS

A custom wall graphic decorates the custom conference room. The conference room wall will feature privacy screening graphics and images.

CONFERENCE TABLE WITH CHAIRS

This large Conference Table with 4 Mid-Back swivel office chairs will be positioned in the conference room. This table will be located in the conference room and will be a comfortable area for you to consult with your clients while presenting on the **LED-HD/TV Monitors**.

PROMOTIONAL PRODUCT SOURCING SOFTWARE

This software will allow you to source promotional products by company name, keywords and price. Your first year is provided and includes a PPAI membership. (A continued yearly subscription is required for your maintenance and hosting.)

MICROSOFT OFFICE 365 BUSINESS SUBSCRIPTION

One (1) year of **Microsoft Office 365 Business** subscription for 3 users includes the latest Desktop and Web version of Outlook, Word, Excel, and PowerPoint. One license covers 5 phones, 5 tablets & 5 PC's or MAC per user. 1TB file storage and 24/7 phone & web support. The subscription will help simplify your business with the ability to collaborate with your team, store files online, and give you the latest version of Microsoft Office Programs where and when you need them. (A continued yearly subscription is required for your maintenance and hosting.)

FULLY PROMOTED WEB PAGE

This customizable **Fully Promoted Web Page** will showcase your products and services on the Internet. The website is complete with a contact page, photos and shopping cart for customers to shop online. (A monthly subscription is required for your maintenance and hosting.)

THREE (3) TASK CHAIRS

Included are three (3) comfortable chairs for use at the graphic design station, the manager's desk and the marketing desk. Each chair is mounted on wheels and features a swivel base for ease of movement.

FILE CABINET

This vertical cabinet features suspension tracks for easy opening and closing of the four drawers, and will help organize your customer, vendor & business files.

NETWORK PRINTER

A Multi-Function **Wireless** printer/fax/scanner is networked to the work stations computers to print documents and pricing information. It makes short run copies, sends and receives faxes and scans documents to your computer.

IN STORE COMPUTER NETWORK & SWITCH

This upgrade to your computers allows you to share your printers and files over a computer network. The switch allows you to share files, and internet access over all the stores' computers. (DSL or Cable modem not included – Local Internet Service Provider required.)

MARKETING AND PRINTED MATERIALS

A collection of letterhead, envelopes, and vertical marketing brochures will be printed with your store's specific information. An assortment of 8 Page Booklets, pocket folders, thank you cards, and sew-out cards will also be provided to showcase your brand to new customers. Handbill flyers, mailers and one box of double sided color business cards will also be sent to you to help promote your new business.

VENDOR CATALOGS

A selection of Fully Promoted imprinted catalogs from some of our preferred wearable and promotional product vendors will be included.

CUSTOMIZED RESOURCE CENTER

A well-organized contemporary store lobby is important in a retail location. Your Resource Center's appearance is given a modern, "high-tech" feel with the retail racks, shelves & other display pieces.

SHOWROOM SAMPLE PACKAGE

This includes an initial supply and inventory of commonly sold shirts, jackets, caps, team wear and other items you can embroider/print on. Additionally, print samples, digital marketing service displays, promotional product displays and marketing material promote your full suite of service offerings.

SERVICE COUNTER

You will have the appropriate workspace for receiving jobs from your customers with the **Service Counter**. A point of sale station houses your business management system (POS)

PROMOTIONAL PRODUCTS SAMPLES

These samples will fill your resource center with an assortment of pens, coolies, mouse pads, key chains, mugs, stress balls, and many more items to really show your clients the multitude of items you provide.

SHOWROOM AND POINT OF PURCHASE SIGNAGE

Internal Showroom Signs provide customers with direction of your services. Multiple image displays promote professionalism, services and products. Many of the display fixture images are easily changed to promote new items or promotions.

****OPENING BANNER & A-FRAME**

This Banner will display the opening of your store and the A-Frame will display the products and services you provide.

****FRONT WINDOW GRAPHICS**

Quality color vinyl window graphics will tell your customers who you are, the products you produce and some of the many brands you carry. Included are your store hours and graphical icons of shirts and caps.

****VEHICLE GRAPHICS**

The Fully Promoted logo and your store's contact information will be displayed on a car or truck of your choice and will increase your brand's exposure.

****ELECTRIC OUTDOOR SIGN**

The Fully Promoted logo is proudly displayed on an illuminated sign up to 2'x15', dominating the face of your store. The sign is constructed of the finest materials and will serve as a tremendous advertisement for your business.

SHIPPING AND DELIVERY

Shipping, delivery and installation are included in the package.

* * * * *

Equipment Total \$103,895
*** Plus Tax and Customs for all Equipment and Furnishings.**

**All interior and exterior signs may be subject to approval by local municipal authorities and landlords. If changes are required, Franchisor will order signs to conform to the landlord's and municipal authority's requirements.

Because we are constantly improving our products and equipment, we reserve the right to revise, change and/or substitute product features, dimensions, specifications and designs without notice to improve our stores' capabilities and quality. Prices are subject to change without notice.

SCHEDULE B

ASSIGNMENT OF TELEPHONE NUMBERS, DOMAIN NAMES AND EMAIL ADDRESSES

Date: _____

This assignment shall be effective as of the date of termination of the Franchise Agreement entered into between EmbroidMe.com, Inc. d/b/a Fully Promoted™ (“Franchisor”) and _____ (“Franchisee”). Franchisee hereby irrevocably assigns to Franchisor or its designee the telephone number or numbers and listings, domain names and email addresses issued to Franchisee with respect to each and all of Franchisee’s **Fully Promoted** businesses. Franchisee agrees to pay all amounts, whether due and payable or not, that any domain name registry (“Registry”) or internet service provider (“ISP”) may require in connection with such transfer. This assignment is for collateral purposes only and Franchisor shall have no liability or obligation of any kind whatsoever arising from this assignment, unless Franchisor desires to take possession and control over the telephone numbers, domain names and email addresses.

Franchisor is hereby authorized and empowered upon termination of the Franchise Agreement and without any further notice to Franchisee to notify the telephone company, as well as any other company that publishes telephone directories (“telephone companies”), the Registry and the ISP to transfer the telephone numbers, domain names and email addresses to Franchisor or such other person or firm as is designated by Franchisor. In furtherance thereof, Franchisee hereby grants an irrevocable power of attorney to Franchisor and appoints Franchisor as its attorney-in-fact to take any necessary actions to assign the telephone numbers, domain names and email addresses including but not limited to, executing any forms that the telephone companies, the Registry or the ISP may require to effectuate the assignment. This assignment is also for the benefit of the telephone companies, the Registry and the ISP and the telephone companies, the Registry and the ISP may accept this assignment and Franchisor’s instructions as conclusive evidence of Franchisor’s rights in the telephone numbers, domain names and email addresses and Franchisor’s authority to direct the amendment, termination or transfer of the telephone numbers, domain names and email addresses as if they had originally been issued to Franchisor. In addition, Franchisee agrees to hold the telephone companies, the Registry and the ISP harmless from any and all claims against them arising out of any actions or instructions by Franchisor regarding the telephone numbers, domain names and email addresses.

FRANCHISEE

EMBROIDME.COM, INC.
D/B/A FULLY PROMOTED

Initials _____

Signature: _____
Print Name: _____

By: _____
Print Name/Title: _____

Signature: _____
Print Name: _____

Date: _____

SCHEDULE C

ELECTRONIC FUNDS TRANSFER AUTHORIZATION TO HONOR CHARGES DRAWN BY AND PAYABLE TO EMBROIDME.COM, INC. ("PAYEE")

The undersigned Depositor hereby authorizes and requests the Depository designated below to honor and to charge to the following designated account, checks, and electronic debits (collectively, "debits") drawn on such account which are payable to the above named Payee. 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 Depositor. It is further agreed that if any such debt 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 Payee 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 Payee pursuant to the foregoing request and authorization, or in any manner arising by reason of the Depository's or Payee's participation therein.

Select All That Apply: ☐ Monthly Royalty ☐ Monthly Note Payment ☐ Website Hosting & Maintenance Fee

Name of Depository: _____

Name of Depositor: _____

Designated Bank Acct.: _____

(Please attach one voided check for the above account)

Store Location: _____

Store #: _____

Address: _____

Phone #: _____

Fax #: _____

Name of Franchisee/Depositor (please print)

By: _____

Signature and Title of Authorized Representative

Date: _____

Initials _____

SCHEDULE D

EPOS BUSINESS MANAGEMENT SYSTEM SOFTWARE LICENSE AGREEMENT

THIS LICENSE AGREEMENT is a legal agreement between you as a Fully Promoted™ franchisee of EmbroidMe.com, Inc. (“You”) and EmbroidMe.com, Inc. d/b/a Fully Promoted (“Franchisor”) for access to the computer software known as the Business Management System EPOS Version 2.0 (herein “Software Product”) which includes computer software and associated media and printed materials and may include online or electronic documentation. By installing, copying or otherwise using the Software Product, You agree to be bound by the terms of this License Agreement.

1. The Software Product is protected by copyright laws and international copyright treaties, as well as other intellectual property laws and treaties. The Software Product is licensed to You, not sold. All title and copyrights in and to the Software Product, any accompanying printed materials and any copies of the Software Product are owned by Franchisor or its suppliers. You must treat the Software Product like any other copyrighted material.
2. You are granted the right to install and use the Software Product on computers which are used in conjunction with the operation of Your Fully Promoted store and for no other purpose.
3. You will have access to all updates to the Software Product, database files for vendors and support of Software Product by telephone and e-mail. Subject to the provisions of Paragraph 4 below, You agree to pay a Monthly Maintenance Fee of \$150.00 for 2 full user licenses and 2 sales user licenses ~~\$75.00 for 4 licenses or more for access to the updates, support and vendor databases~~. Payment must be made within 10 days of monthly billing by credit card. If payment is not made when due, Franchisor can cancel Your access as described above until Your account is brought current.
4. If You are a Fully Promoted franchisee purchasing a new store, You will be provided access to a copy of the Software Product ~~is provided to You~~ as part of Your equipment package and You will receive support from Franchisor and updates to the Software Product without charge for 90 days from the date You access ~~install~~ the Software Product. However, You must register the software within 30 days of installation. ~~If You are an existing Fully Promoted store using Biztrack or Fast Manager, You can convert to the Software Product for a fee of \$200.00.~~ In all cases, You will be required to pay the Monthly Maintenance Fee as provided in Paragraph 3 above.
5. The license granted by this Agreement is non transferable except in connection with a transfer of Your Fully Promoted franchise and business to a person(s) if approved by Franchisor.

Initials _____

6. By executing this Agreement, You grant access and consent to Franchisor downloading certain information from Your store computer including sales and customer data and operational statistics and using the information (which may include personal information) in the manner specified below. Franchisor may collect information obtained by it under this Paragraph 6 for the purposes of controlling, administering and promoting the network of Fully Promoted franchisees. Information that Franchisor collects may be used in relation to and disclosed to:
- a. persons engaged by Franchisor to assist in the recruitment of Fully Promoted franchisees;
 - b. persons who provide administrative or other services to Franchisor, including its professional advisers;
 - c. current and prospective financiers and lenders of Franchisor; and on a confidential basis, parties proposing to acquire an interest in Franchisor or a related entity of Franchisor.

You may request access to information held by Franchisor collected from You by making a written request to Franchisor.

7. If You violate the terms of this Agreement, Franchisor without, notice to You, may terminate this Agreement if You fail to comply with the terms and conditions of this Agreement, including timely payment of the monthly maintenance fee. In such event, You must cease all use of the Software Product and return all copies of the Software Product.
8. If Your Franchise Agreement expires or is terminated by either party, this Agreement automatically terminates without either party needing to do anything further and You must immediately cease all use of the Software Product and return all copies of the Software Product.
9. Franchisor warrants that the Software Product will perform substantially in accordance with the written materials provided to You. To the maximum extent permitted by applicable law, Franchisor and its suppliers exclude all express or implied warranties including warranties of merchantability, fitness for a particular purpose or that the Software Product will be error free. To the maximum extent permitted by applicable law, the total liability of Franchisor and its suppliers under this warranty and Your exclusive remedy shall be the repair or replacement of the Software Product that does not perform as warranted. This warranty is void if failure of the Software Product has resulted from accident, abuse or misapplication. Franchisor makes no warranty of any kind with regard to the accuracy of information, including product pricing, contained in the vendor databases. If You find a pricing discrepancy in a vendor database, please report it immediately to emeboss@embroidme.com or such other email address as may be provided for notification in the future.

10. To the maximum extent permitted by applicable law, in no event shall Franchisor or its suppliers be liable for any special, incidental, indirect or consequential damages whatsoever (including without limitation, damages for loss of business, inaccurate price calculation due to pricing errors in vendor databases, business interruption, loss of business information or any other pecuniary loss) arising out of the use or inability to use the Software Product.

11. This Agreement is governed by the laws of the State of Florida.

FRANCHISEE

EMBROIDME.COM, INC. D/B/A
FULLY PROMOTED

Signature: _____

Print Name:

By: _____

Print Name/Title:

Signature: _____

Print Name:

Date: _____

~~Print Name/Title:~~

Store Location

FRANCHISEE'S RATIFICATION

In consideration of the execution of the foregoing Franchise Agreement with **EmbroidMe.com, Inc.** d/b/a Fully Promoted™ ("Franchisor"), the Franchisee hereby acknowledges that:

I have read and understood the foregoing Franchise Agreement and understand that if I do not understand any terms of the Franchise Agreement, or if I do not understand any terms of the Offering Circular, I have the right to have my own attorney explain any terms of this Agreement to me.

THE FRANCHISOR ENCOURAGES YOU TO SEEK THE ADVICE OF ANY ATTORNEY PRIOR TO SIGNING THE FRANCHISE AGREEMENT.

I understand that although the Franchisor will provide assistance and advice, as outlined in the Franchise Agreement, Franchisor cannot guarantee my success as a Fully Promoted Franchisee, and my earnings as a Fully Promoted Franchisee will be primarily dependent upon MY INDIVIDUAL EFFORTS in operating my Fully Promoted Store.

I acknowledge that neither the Franchisor nor any of its directors, officers, agents, or employees have made any claims or representations whatsoever regarding potential revenues, earnings, or profits, that a Franchisee will achieve as the owner of a Fully Promoted store. I represent that I have entered into the Franchise Agreement without relying upon any claim or representation not contained in the Franchise Disclosure Document, and to do so would be unreasonable. I understand that Franchisor is relying upon my representations in making its decision to grant the Franchise.

While Franchisor has offered assistance, I UNDERSTAND THAT I AM ASSUMING FULL RESPONSIBILITY FOR, AND HAVE HAD THE FINAL ULTIMATE APPROVAL OF, THE SITE SELECTED AND THE LEASE EXECUTED FOR THAT SITE. I further understand that I have the right to have my own attorney review the Lease and explain to me any provisions of the Lease.

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

Executed this _____ day of _____, 201__.

Franchisee –

**A corporation organized under the
Laws of the State of _____.**

Franchisee –

~~**A corporation organized under the Laws of the**~~

Initials _____

State of

EXHIBIT B

VFS EQUIPMENT LEASE

of any real property where the Equipment is to be affixed to the realty or be deemed a fixture in order that said Equipment shall at all times be severable and removable by us, free from any right, title, claim or interest of the property owner and of the Lessee except as herein provided. The Lease and Equipment shall at all times remain the property of Lessor, subject only to any security agreement in favor of a bank, financial institution, or other investor party designated by Lessor.

10. UCC AND POWER OF ATTORNEY: Lessee hereby appoints Lessor as your attorney-in-fact to sign and to file on Lessee's behalf any document we deem necessary to perfect or protect our interest (or the interest of our assignee(s)) in the Equipment in accordance with the UCC, or other applicable law. You hereby agree that we may make any applicable adjustment in lease payments due to the actual cost of the Equipment, a change in the sales or use tax rate, corrected description of the Equipment, or proper allocation of any advance payments or security deposits, to date this Lease, or fill in any blank spaces, and all such modifications shall become incorporated herein.

11. LOCATION AND USE OF EQUIPMENT: You shall keep the Equipment at the location designated in the Lease, unless we consent to its removal or relocation in writing. The Equipment shall be used solely for its intended purpose in accordance with your stated business, and YOU HEREBY SPECIFICALLY ACKNOWLEDGE THAT THE EQUIPMENT IS LEASED TO YOU SOLELY FOR COMMERCIAL OR BUSINESS PURPOSES, AND NOT FOR CONSUMER, PERSONAL, HOME OR FAMILY PURPOSES.

12. OPERATION, MAINTENANCE AND REPAIR: You shall cause the Equipment to be operated by competent employees only, and shall pay all expenses of operations. You shall comply with all laws and regulations relating to ownership, possession operation, use and maintenance of the Equipment. You shall hold us harmless from any and all actual or asserted violations of the aforesaid covenant. We shall not be obligated to install, erect, test, adjust, service or make repairs or replacements to the Equipment. You shall not incur for our account or liability any expense therefore without our prior written consent. You shall bear the expense of all necessary repairs, maintenance, operation, and replacements required to be made to maintain the Equipment in proper working condition, reasonable wear and tear excepted.

13. SECURITY DEPOSIT: The security deposit is payable upon execution of the Lease, is non-interest bearing, and is to secure your performance under this Lease. The security deposit may be applied by us to satisfy any amount owed by you, in which event you will promptly restore the security deposit to its full amount as set forth on the first page of this Lease in the schedule of lease payments. If you fully comply with all conditions of the Lease and provided you have never been in default of this Lease, the security deposit will either be applied to your Purchase Option (as hereinafter defined) or it will be refunded to you within thirty (30) days of your return of the Equipment in accordance with Section 15 herein.

14. LATE CHARGES AND COLLECTION CHARGES: Should you fail to pay any rent or other sum required to be paid to us by you on or before the due date, you agree to pay to us a late charge equal to 10% of the amount past due, or \$25, whichever is greater. An additional and equivalent late charge will be assessed for each month a payment remains unpaid. In addition, if your delinquency requires additional collection efforts, you agree to pay for any reasonable charges levied by an outside collection agency following Lessee's default.

15. RETURN OF EQUIPMENT: In the event, you properly elected to return the Equipment pursuant to Section 4 and all amounts due and owing have been paid in full, you shall, at your sole expense return the Equipment clean, in proper working order, condition and repair by delivering it packed and ready for shipment to such place or on board such carrier as we may specify. You shall pay all shipping costs, and any costs incurred by us to return the condition of the Equipment to current maintenance standards and refurbished condition WARNING: FAILURE TO PROMPTLY RETURN THE EQUIPMENT MAY, AT LESSOR'S SOLE DISCRETION, RESULT IN THE IMPOSITION OF ADDITIONAL LEASE PAYMENTS, PLUS OTHER COSTS, INTERESTS AND EXPENSES ON A MONTH TO MONTH BASIS, UNTIL THE EQUIPMENT IS RETURNED AS SETFORTH HEREIN.. In the event of a default by you pursuant to Section 19, you shall upon demand by us, return the Equipment to us in accordance with the terms set forth in this Section.

16. LOSS, DAMAGE, AND INDEMNIFICATION: Risk of loss shall pass to you upon shipment of the Equipment to the Lessee; it being specifically understood that AT NO TIME SHALL LESSOR BEAR THE RISK OF LOSS WITH RESPECT TO DAMAGE, LIABILITY OR ANY OTHER TYPE OF LOSS OR DAMAGE TO OR FROM THE EQUIPMENT WHATSOEVER. In the event any item of Equipment shall become lost, stolen, destroyed, damaged beyond repair, or otherwise rendered permanently unfit for use, as determined in Lessor's reasonable discretion, you shall promptly pay to us the remaining lease payments, plus tax, plus our estimated residual value of the Equipment. Upon payment of the above sum, title shall pass to you; provided, however, that your payment of the above sum does not reduce or satisfy any past due amounts owed to us by you, for which you shall remain liable. Lessee assumes all liability and agrees to defend, indemnify and hold Lessor harmless from all liability (including environmental, negligence, tort and strict liability), claims, damages or other losses, including costs and reasonable attorneys' fees, arising out of or in any manner connected with this Lease or the Equipment.

17. TAXES AND REGULATORY FEES: You shall comply with all federal, state, and local laws and regulations relating to the Lease of the Equipment. You recognize your duty and responsibility to promptly pay when due all license fees, registration fees, assessments, charges and actual or estimated taxes which now or hereafter may be imposed by any state, federal or local government upon the Equipment based on the ownership, leasing, renting, sale, possession, use, maintenance, delivery and/or return of the Equipment, and shall hold Lessor harmless against actual or asserted violations or amounts collected in excess of actual assessments and you shall pay all expenses and costs in connection herewith or arising therefrom. You shall, from time to time, and upon our request, submit written evidence of the payment of all applicable governmental obligations required under this Lease. You will reimburse us for all administrative costs associated with the preparation, filing, payment, and other costs necessary to properly administer taxes associated with the Equipment. Where required by law, we will file the personal property tax returns with respect to the Equipment, and you shall pay us in advance, and at the time(s) we require, the taxes that we anticipate will be due during the year. If you have any outstanding tax obligation relating to this Lease or the Equipment upon the completion of all lease payments required under this Lease, earlier termination, or in the event of default by you under Section 19 hereof, you agree to promptly pay to us an amount equal to three and one half percent (3.5%) of our initial cost of the Equipment which you agree is a fair and reasonable estimate of said unpaid tax obligation. You agree that we may charge you an administrative fee for the time and effort spent to ensure timely payment of all taxes and charges that may be assessed against the Equipment by any federal, state, or local agency.

18. INSURANCE: Lessor may at its sole discretion provide insurance for Lessee that meets the insurance requirements herein, and bill Lessee accordingly. In the event that we do not provide you with insurance, or you request that we discontinue to provide you with insurance during the Lease, you shall obtain, at your own expense, insurance on the Equipment for the full term of the Lease, or any renewal term thereof, as follows: (a) liability insurance for bodily injury and property damage with a minimum limit of \$1,000,000 combined single limit naming us and our assigns as "additional insured"; (b) physical damage and theft loss insurance for the amount of the Equipment cost or replacement value, whichever is greater, naming us and our assigns as "Lender's Loss Payee". Each such policy shall be with an insurer and in such form satisfactory to us including clauses requiring insurer to give at least 30 days written notice to us of any alteration or cancellation, and specifying that no action or misrepresentation by you shall invalidate the policy. You shall deliver to us evidence of your obtaining said policy as described above together with receipts for the premiums thereunder, and we shall be under no obligation to inspect the policy or inform you if the policy does not conform to the requirements hereof. Should you fail to provide to us the policy or evidence of insurance described herein, or should we provide insurance for you, you shall pay to Lessor the amount assessed by us for providing you with such insurance coverage, on a monthly basis with an administrative charge for this service, which shall be due simultaneously with each lease payment. Lessee shall, at our request, name as Loss Payee any party who we designate as having a security interest in the Equipment.

19. DEFAULT AND REMEDIES: You understand that you shall be in default under this Lease if: (a) you fail to make any payment due under the terms of this Lease and such failure continues for a period of five (5) days from the due date; or (b) you fail to observe, keep, or perform any provision of this Lease, and such failure continues for a period of fifteen (15) days; or (c) you intentionally made any misleading or false statements in connection with the application for or performance of this Lease; or (d) the Equipment or any part thereof shall be subject to any lien, levy, seizure, assignment, transfer, bulk transfer, encumbrance, application, attachment, execution, sublease, or sale without the prior written consent of us; or (e) Lessee ceases to exist or any Guarantor of this Lease dies; or (f) you default on any other agreement with us as Lessor; or (g) any Guarantor of this Lease defaults on any obligation to us or any of the above listed events of default occur with respect to any Guarantor or any such Guarantor files or has filed against it a petition under the bankruptcy laws. Upon the occurrence of an event of default (as defined above in this paragraph), and said event of default remains uncured for 5 business days after the date of default, we shall have the right to exercise any one or more of the following remedies, concurrently or separately, and without any election of remedies being deemed to have been made: (a) we may enter upon the Lessee's premises and without any court order or other process of law repossess and remove the Equipment, either with or without notice to the Lessee, and any such repossession shall not constitute a termination of this Lease unless we notify you in writing; (b) we may cancel or terminate this Lease and retain any and all prior payments paid by you; (c) we may declare all sums due and to become due under this Lease immediately due and payable; (d) we may re-lease the Equipment to a third party without notice to you, upon such terms and conditions as we alone determine, or we may sell the Equipment, without notice to you, at a private or public sale, at which sale we may be the purchaser; (e) we may, at Lessor's sole discretion, render Lessee's purchase option (as defined in Section 20) null and void without notice, in which case Lessee must purchase the Equipment from us for an amount equal to our estimate of the Equipment's installed fair market value at the expiration of the original term or any renewal term thereof; (f) sue for and recover from you the sum of all unpaid lease payments and other amounts then accrued that are due us, all accelerated future payments due, our costs of enforcement and collection (including reasonable attorney's fees and costs), plus our estimated residual value of the Equipment; or (g) we may pursue any other remedy available at law, by statute or in equity. No right or remedy herein conferred on or reserved to us as Lessor is exclusive of any other right or remedy herein.

20.

21. LESSOR'S ASSIGNMENT: We may assign the lease payments due hereunder or all or any of our other rights hereunder upon notice to you. Upon such assignment, you waive any right you may have against us to claim or assert any defense, setoff or counterclaim against any assignee of ours. Our assignee(s) shall not be obligated to perform any of our obligations under this Lease. Upon receipt of notice of any assignment, you agree to abide by the terms of the assignment and make payment to our assignee(s) as directed by us. Following such assignment, solely for the purpose of determining assignee's rights hereunder, the term Lessor shall be deemed to include or refer to our assignee.

22. FINANCIAL STATEMENTS: Upon request by Lessor, Lessee shall be required, and agrees to, furnish any and all applicable current financial statements and related documentation.

23. COMPUTER SOFTWARE: Notwithstanding any other terms and conditions of the Lease, you agree that, as to software only: (a) we have not had, do not have, nor will have any title to such software; (b) you have executed, or will execute a separate software license agreement to which we are not a party and we will have no responsibilities whatsoever in regards to such license agreement or performance of the software; and (c) you have selected such software, and in accordance with Section 3 herein, YOU FURTHER AGREE THAT LESSOR IS MAKING NO WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE AND TAKES ABSOLUTELY NO RESPONSIBILITY FOR THE FUNCTIONABILITY OR DEFECTIVE NATURE OF SUCH SOFTWARE. You understand that your right to continue use of software during any renewal period will be subject to the applicable license agreement.

24. FACSIMILE STATEMENT: Until such time as we receive the original executed Lease, Guarantee or any addenda, rider, or exhibit (as applicable) with your manual signature thereon, a facsimile transmission of the Lease or any addenda, rider, or exhibit thereto shall constitute, upon acceptance and execution by Lessor, in its offices, the original document and chattel paper and shall be admissible for all purposes as the original document. You agree to promptly forward to us the original document(s) with your manual signature thereon and upon receipt by us the original Lease shall constitute the chattel paper in lieu of such facsimile transmission.

25. MISCELLANEOUS: You will not change or remove any insignia or lettering on the Equipment. You give us permission to give credit reporting agencies, creditors and potential creditors information relating to any credit we may grant you. Delinquent payments or other sums due under this lease, if not explicitly indicated otherwise, shall bear interest from the due date at eighteen percent (18%) per annum, or the highest lawful contract rate, whichever is greater. If Lessee is a partnership or corporation, the person signing the Lease on behalf of such partnership or corporation hereby warrants that (s)he has full authority from the partnership or corporation to sign this Lease and obligate the partnership or corporation to all terms and conditions under this Lease. In the event that there is a conflict between the language of this Lease Agreement and any addendum, rider, or exhibit attached hereto, the language in said addendum, rider, or exhibit shall prevail. If any provision of this Lease is declared unenforceable in any jurisdiction, that provision shall be severed from this Lease Agreement and the other provisions herein shall remain in full force and effect.

VFS ACH Authorization Form

As a condition of our Lease Agreement, this form will be used for payments.

Lessee:

Lease Agreement Dated:

Lessee hereby authorizes VFS LLC to initiate electronic debits from the account and depository shown below:

Name on Bank Account:

Bank Name:

Draft Amount: \$

Bank Account Routing/Transit Number*:

Bank Account Number*:

[*See below for an explanation of where to locate these two sets of numbers on your bank check.](#)

Authorized Signature

Date

Explanation of Check Numbers

Bank Routing/Transit Number — This is a nine digit number separated by a bar and a colon | : | :

Account Number — This number may appear as the second, first or third series of numbers.

Please read carefully.

Check Number — Matches number in the upper right corner of check. NOT REQUIRED FOR ACH.

To protect the integrity of this program, please maintain a bank balance sufficient to honor charges presented for payment.

If you change banking arrangements, sufficient funds should be left in the account to honor charges presented for payment.

Schedule A

Qty	Item	Description
-----	------	-------------

EXHIBIT C
DEPOSIT RECEIPT



DEPOSIT RECEIPT LETTER

By this Receipt, **EMBROIDME.COM, INC. D/B/A FULLY PROMOTED™** (“Franchisor”) acknowledges that it has received a fully refundable deposit of \$5,500 (USD) from:

Name: _____

Address: _____

together with an application for a **FULLY PROMOTED** Franchise.

We’ve reviewed your application within our offices and would be pleased to move forward, including assisting you to locate and lease a suitable site for your new **FULLY PROMOTED** store.

The deposit you paid will, at the time of signing your Franchise Agreement, be credited to the remainder of the franchise fee. In the event that you decide not to accept the Franchise Agreement for any reason, your deposit will be refunded. In addition, in the event you and Franchisor cannot agree on a suitable location for your franchise within ninety (90) days from the date of this Deposit Receipt, Franchisor reserves the right to refund your deposit.

Thank you for your sincere interest in purchasing a **FULLY PROMOTED** franchise. We believe we have assembled the best products, support staff, and system in our industry. We look forward to providing this to you and welcoming you into our franchise system.

Sincerely,

EMBROIDME.COM, INC. D/B/A FULLY PROMOTED

By: _____

Print Name

FULLY PROMOTED CANDIDATE:

Signature

Date

Print Name

EXHIBIT D

FINANCIAL STATEMENTS

Embroidme.com, Inc.

Audited Consolidated Financial Statements

December 31, 2016, December 31, 2015, and December 31, 2014

EMBROIDME.COM, INC.

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MILBERY & KESSELMAN, CPA's, LLC

Certified Public Accountants

To the Board of Directors
Embroidme.com, Inc.
West Palm Beach, Florida

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of Embroidme.com, Inc. which comprises the consolidated balance sheet as of December 31, 2016, December 31, 2015 and December 31, 2014, and the related consolidated statements of income and retained earnings, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Member of the Florida Institute of C.P.A.'s

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Embroidme.com, Inc. as of December 31, 2016, December 31, 2015 and December 31, 2014, and the results of its consolidated operations and its consolidated cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink that reads "Milbery & Kesselman, CPAs". The signature is written in a cursive, flowing style.

Milbery & Kesselman, CPAs, LLC
February 23, 2017

EMBROIDME.COM, INC.
Consolidated Balance Sheet
As of December 31, 2016, December 31, 2015, and December 31, 2014

	<u>2016</u>	<u>2015</u>	<u>2014</u>
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 215,213	\$ 293,131	\$ 359,010
Accounts Receivable (net of Allowance for Doubtful Accounts)	850,843	907,371	1,064,687
Loans Receivable	-	-	5,000
Loans Receivable - Related Companies	1,608,010	870,032	612,613
Inventory	94,993	166,782	82,069
Prepaid Expenses	103,490	48,393	-
Promissory Notes - Current Portion	30,971	20,126	-
Total Current Assets	<u>2,903,520</u>	<u>2,305,835</u>	<u>2,123,379</u>
 Property and Equipment (net of accumulated depreciation)	 -	 -	 -
 Other Assets			
Other Loans and Investments	3,000	15,000	30,000
Promissory Notes	22,151	4,614	-
Security Deposits	-	3,000	3,000
Total Other Assets	<u>25,151</u>	<u>22,614</u>	<u>33,000</u>
 TOTAL ASSETS	 <u><u>\$ 2,928,671</u></u>	 <u><u>\$ 2,328,449</u></u>	 <u><u>\$ 2,156,379</u></u>
 LIABILITIES AND STOCKHOLDERS' EQUITY			
LIABILITIES			
Current Liabilities			
Accounts Payable	\$ 475,819	\$ 535,726	\$ 361,441
Accrued Expenses	552,093	26,437	24,705
Total Current Liabilities	<u>1,027,912</u>	<u>562,163</u>	<u>386,146</u>
 Long Term Liabilities	 -	 -	 -
 TOTAL LIABILITIES	 <u>1,027,912</u>	 <u>562,163</u>	 <u>386,146</u>
 Commitments and Contingencies(Note 8)			
 STOCKHOLDERS' EQUITY			
Common Stock	375,000	375,000	375,000
Retained Earnings	1,525,759	1,391,286	1,395,233
TOTAL STOCKHOLDERS' EQUITY	<u>1,900,759</u>	<u>1,766,286</u>	<u>1,770,233</u>
 TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	 <u><u>\$ 2,928,671</u></u>	 <u><u>\$ 2,328,449</u></u>	 <u><u>\$ 2,156,379</u></u>

See accompanying independent auditor's report and notes to financial statements

EMBROIDME.COM, INC.
Consolidated Statement of Income and Retained Earnings
For the years ended December 31, 2016, December 31, 2015, and December 31, 2014

	2016	2015	2014
Income			
Franchise Fees	\$ 2,387,531	\$ 2,029,195	\$ 2,306,737
Product	1,629,894	1,905,506	2,255,584
Commissions	4,718	15,485	76,624
Royalties	3,941,662	3,656,966	3,442,502
Other Income	77,257	38,675	40,468
Total Income	8,041,062	7,645,827	8,121,915
Cost of Goods Sold	1,697,862	2,333,818	2,484,986
Gross Profit	\$ 6,343,200	\$ 5,312,009	\$ 5,636,929
Expenses			
Advertising	642,548	437,559	285,856
Automobile	103,739	102,228	163,409
Bad Debt	70,421	220,399	241,606
Bank Service Charges	34,633	27,498	29,840
Computer and Software	32,633	30,014	42,836
Depreciation	-	-	15,885
Dues and Subscriptions	37,630	14,807	20,200
Insurance	39,957	44,336	37,788
Licensing and Registrations	26,360	8,131	7,115
Office	90,198	55,519	70,883
Payroll	4,193,370	3,518,196	3,652,615
Postage	25,167	33,421	28,030
Professional Fees	182,202	96,803	194,655
Rent	52,717	57,321	62,722
Taxes	10,715	2,001	67,233
Telephone	119,573	99,461	88,281
Travel and Meals	491,447	472,966	534,592
Total Expenses	6,153,310	5,220,660	5,552,046
Net Income before Other Income	\$ 189,890	\$ 91,349	\$ 84,883
Other Income/(Expense)			
Interest Income	3,379	2,539	949
Income Tax	(25,000)	(15,000)	(8,500)
Gain/(Loss) on Foreign Currency Exchange	1,768	(28,596)	11,260
Total Other Income/(Expense)	(19,853)	(41,057)	12,209
Net Income	\$ 170,037	\$ 50,292	\$ 97,092
Retained Earnings, Beginning	1,391,286	1,395,233	1,345,863
Shareholder Distributions	(35,564)	(54,239)	(47,722)
Retained Earnings, Ending	\$ 1,525,759	\$ 1,391,286	\$ 1,395,233

See accompanying independent auditor's report and notes to financial statements

EMBROIDME.COM, INC.
Consolidated Statement of Cash Flows
For the years ended December 31, 2016, December 31, 2015, and December 31, 2014

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Cash Flows from Operating Activities			
Net Income	\$ 170,037	\$ 50,292	\$ 97,092
Adjustments to reconcile net income to net cash provided/(used) by Operations			
Depreciation	-	-	15,885
(Increase)/Decrease in Accounts Receivable	56,528	157,316	535,230
(Increase)/Decrease in Loans Receivable	(737,978)	(252,419)	(220,247)
(Increase)/Decrease in Inventory	71,789	(84,713)	(1,379)
(Increase)/Decrease in Prepaid Expenses	(55,097)	(48,393)	26,000
Increase/(Decrease) in Accounts Payable and Accrued Expenses	465,749	176,017	(313,050)
Cash provided/(used) by Operating Activities	<u>(28,972)</u>	<u>(1,900)</u>	<u>139,531</u>
Cash Flows from Investing Activities			
Acquisition of Fixed Assets	-	-	-
Other Loans and Investments	12,000	15,000	148,054
Cash provided/(used) by Investing Activities	<u>12,000</u>	<u>15,000</u>	<u>148,054</u>
Cash Flows from Financing Activities			
Promissory Notes	(28,382)	(24,740)	-
Security Deposits	3,000	-	4,657
Shareholder Distributions	(35,564)	(54,239)	(47,722)
Cash provided/(used) by Financing Activities	<u>(60,946)</u>	<u>(78,979)</u>	<u>(43,065)</u>
Increase/(Decrease) in Cash	<u>(77,918)</u>	<u>(65,879)</u>	<u>244,520</u>
Beginning Balance	<u>293,131</u>	<u>359,010</u>	<u>114,490</u>
Ending Balance	<u><u>\$ 215,213</u></u>	<u><u>\$ 293,131</u></u>	<u><u>\$ 359,010</u></u>

See accompanying independent auditor's report and notes to financial statements

Notes to Consolidated Financial Statements

Note 1 Summary of Significant Accounting Policies

Nature of business - Embroidme.com, Inc. D.B.A. Fully Promoted (the "Company"), was incorporated in Florida on February 17, 2000 and is headquartered in West Palm Beach, Florida. The Company sells franchises that allow the purchaser to operate a full service branded products and marketing services business that offers online marketing services, lead generation services, printed marketing materials, embroidered, screen-printed apparel and/or advertising and promotional merchandise and complete marketing campaign management for a variety of printed marketing materials.

The Company elected to be treated as a Subchapter S Corporation with the Internal Revenue Service, effective October 21, 2002. The Company has elected a year end of December 31.

Principles of Consolidation - The financial statements include the operations of Embroidme.com, Inc. and Franchise Real Estate, Inc. All significant intercompany transactions have been eliminated in consolidation. Embroidme.com, Inc. and Franchise Real Estate, Inc. are herein after collectively referred to as "the Company."

All foreign operations are translated to U.S. dollars at the exchange rate in effect at year-end. Income and expense items and cash flows are translated at the average exchange rate for each year.

A summary of the Company's significant accounting policies follows:

Accounting estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Revenue recognition - Initial franchise fees are recognized as revenue when services required under the franchise agreement have been performed by the Company. Franchise royalty revenues are based on franchisees' sales and are recognized as earned. Product and equipment revenue is recorded when legal title is transferred to the franchisee, generally when the product is shipped.

Cash concentration - The Company maintains its cash in two banks which, at times, may exceed the federally-insured limits. The Company has not experienced any loss in such accounts. The Company believes it is not exposed to any significant credit risk on such accounts.

Accounts receivable - Trade receivables are carried at their estimated collectible amounts. Trade credit is generally extended on a short-term basis; thus trade receivables do not bear interest, although a finance charge may be applied to such receivables that are more than 30 days past due.

Notes to Consolidated Financial Statements

Note 1 Summary of Significant Accounting Policies (continued)

Credit risk - The Company performs on-going credit evaluations of each franchisee's financial condition. Accounts receivable are principally with franchises that are secured under the franchise agreements. The franchise agreements provide the Company with certain collateral, including inventory and fixed assets. Consequently, risk of loss is considered minimal.

Inventory - Inventory is stated at the lower of cost or market value, and consists of supplies and finished goods.

Property and equipment - Property and equipment is stated at cost. Depreciation is computed by the straight-line method over the following estimated useful lives:

	<u>Years</u>
Vehicles	5
Machinery and equipment	5
Computer equipment	3.5 – 7
Software	3.5
Leasehold improvements	10

Long-lived assets - Long-lived assets held for use are subject to an impairment assessment if the carrying value is no longer recoverable based upon the undiscounted future cash flows of the asset. The amount of the impairment is the difference between the carrying amount and the fair value of the asset. The Company's estimate of undiscounted cash flows indicated that such carrying amounts were expected to be recovered.

Income taxes - The Company has elected to be taxed under sections of the federal and state income tax laws that provide that, in lieu of corporate income taxes, the shareholders separately account for their pro rata shares of the Company's items of income, deduction, losses and credits. Therefore, no provision for federal income tax is reflected in the Company's financial statements. The provision for state income taxes for 2016, 2015, and 2014 consisted of the following:

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Various State Income Taxes	\$25,000	\$15,000	\$8,500

The Company is subject to taxation in various state jurisdictions. State jurisdictions have statutes of limitations that generally range from three to five years. As of December 31, 2016, none of the Company's tax returns are under examination.

Subsequent Events – The Company has evaluated subsequent events and transactions for potential recognition or disclosure in the financial statements through February 23, 2017.

Notes to Consolidated Financial Statements

Note 2 Accounts Receivable

Accounts receivable at December 31, 2016, 2015, and 2014 consisted of the following:

	2016	2015	2014
Franchise Fees Receivable	\$ 1,001,533	\$ 1,003,047	\$ 1,263,239
Allowance for doubtful accounts	(150,690)	(95,676)	(198,552)
	<u>\$ 850,843</u>	<u>\$ 907,371</u>	<u>\$ 1,064,687</u>

The bad debt deducted for the year ended 2016 was \$70,421. The bad debt deducted for the year ended 2015 was \$220,399. The bad debt deducted for the year ended 2014 was \$241,606.

Note 3 Cash and Cash Equivalents

The Company maintains cash balances at two financial institutions. Accounts at the United States institution are insured by the Federal Deposit Insurance Corporation for up to \$250,000. Accounts at the Australian institution are insured by the Financial Claims Scheme for up to \$186,295. At December 31, 2016, the Company had uninsured cash balances amounting to \$0. At December 31, 2015, the Company had uninsured cash balances amounting to \$0. At December 31, 2014, the Company had uninsured cash balances amounting to \$0.

Note 4 Property and Equipment

Property and equipment as of December 31, 2016, 2015, and 2014 consisted of the following:

	2016	2015	2014
Software	\$ 8,252	\$ 8,252	\$ 26,197
Less accumulated depreciation	(8,252)	(8,252)	(26,197)
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Depreciation as of December 31, 2016 is \$0. The depreciation of software purchased in 2012 was accelerated in 2014 because it was determined there was no remaining future value in the asset.

Notes to Consolidated Financial Statements

Note 5 Promissory Notes

The Company has promissory notes receivable with various franchisees; the notes bear interest at rates of 0% to 10% per annum, and are amortized over periods of 1 to 5 years. On promissory notes bearing an interest rate below market, imputed interest is calculated and the note value is discounted.

Note 6 Other Loans and Investments

Other loans and investments consist of a note receivable, under an agreement with an employee of an affiliated company that is secured by a mortgage on real property. The note is non-interest bearing. In January 2014, the terms of the note receivable were renegotiated and \$133,054 of the debt was cancelled due to the decline in value of the property secured by the note. This amount was included in bad debt expense for 2014. The remaining balance due on the note receivable as of December 31, 2016 was \$3,000.

Note 7 Transactions with Related Parties

The Company reimburses and receives reimbursements to and from Related Parties, for certain operating expenses, including home office rent, payroll, and other administrative expenses. For the year ending December 31, 2016, related party balances included loans receivable of \$1,609,510, and accounts payable of \$0. For the year ending December 31, 2015, related party balances included loans receivable of \$870,032, and accounts payable of \$0. For the year ending December 31, 2014, related party balances included loans receivable of \$612,613, and accounts payable of \$0.

Note 8 Litigation

From time to time, the Company is involved in litigation, most of which is incidental and normal to its business. In the opinion of Company counsel, no litigation to which the Company currently is a party is likely to have a material adverse effect on the Company's results of operations, financial condition or cash flows. The company has accrued \$185,000 for future expenses associated with ongoing litigation through February 23, 2017.

Notes to Consolidated Financial Statements

Note 9 Commitments and Contingencies

The Company is not contingently liable for lease obligations for regional offices.

As of December 31, 2016 the Company is contingently liable in the amount of \$2,531,094 as a guarantor of mortgages payable and \$1,087,619 on the revolving credit line, to JP Morgan Chase Bank, NA for its affiliate Sign*A*Rama Inc.

As of December 31, 2015 the Company is contingently liable in the amount of \$2,783,361 as a guarantor of mortgages payable and \$1,547,619 on the revolving credit line, to JP Morgan Chase Bank, NA for its affiliate Sign*A*Rama Inc.

As of December 31, 2014 the Company is contingently liable in the amount of \$3,034,213 as a guarantor of mortgages payable and \$1,547,619 on the revolving credit line, to JP Morgan Chase Bank, NA for its affiliate Sign*A*Rama Inc.

EXHIBIT E

LIST OF FRANCHISEES

EMBROIDME.COM, INC.
List of Franchisees as of 12/31/16

First Name	Last Name	FirstName2	LastName2	Address	City	State	Zip	Phone
Ashley	Carter			5263 US Highway 280	Birmingham	AL	35242	205-518-6407
Kerrie	Hoffner	Paula	Henges	2526 - C Danville Road SW	Decatur	AL	35603	256-309-0241
Tim	Hackman			1645 E, Camelback Road, Suite 103	Phoenix	AZ	85016	602-277-9242
Larry	Hevner			420 E. Bell Road, Suite 12	Phoenix	AZ	85022	602-788-5800
Julieann	Downing	Francisco	Amoroso	6245 East Bell Road, Unit 114	Scottsdale	AZ	85254	480-998-9199
Raymond	Budisavljevic	Barry	Holzbach	3641 North Campbell Avenue	Tucson	AZ	85719	520-867-8800
Monica	Au			605 W. Herndon Ave., Suite 500	Clovis	CA	93612	559-324-8686
Richard & Marion	Coury			1307 W. 6th Street, Suite 118	Corona	CA	92882	951-270-0173
Rocio	Brooks			670 W. 17th Street, Suite G2	Costa Mesa	CA	92627	949-645-4331
Jeff	Sapol			191 N. El Camino Real - Ste. 202	Encinitas	CA	92024	760-943-8022
Joseph	Ocampo			1356 West Valley Parkway, Suite L	Escondido	CA	92029	760-294-4996
Andrew	Pirim	Jonathan	Sklar (main contact)	3516 N. Verdugo Road	Glendale	CA	91208	818-248-3435
Anthony	Pham			22693 Hesperian Blvd., Suite 145	Hayward	CA	94541	510-244-7616
Andrew	Kohler			7018 University Avenue	La Mesa	CA	91942	619-741-8855
Felipe	Segura			7204 Archibald Avenue	Rancho Cucamonga	CA	91701	909-948-9710
Stan	Skrocki			7001 Indiana Avenue, Suite 2	Riverside	CA	92506	951-682-0086
B. Cameron	Schultz			7710 Balboa Avenue Ste 109	San Diego	CA	92111	858-571-0574
Anu	Kumar			5955 Mira Mesa Blvd., Suite J	San Diego (Sorrento)	CA	92121	858-452-5021
Jonathan	Stone			1701 E. Edinger Avenue, Suite B 11	Santa Ana	CA	92705	714-418-4322
Jeff	Henges			22221 Palos Verdes Blvd.	Torrance	CA	90505	310-937-3788
Dana	Snyder			17211 S. Golden, Unit #115	Golden	CO	80401	303-800-7022
Tara	Reichle			1436 S. Wadsworth Blvd.	Lakewood	CO	80232	303-233-0073
Don	Snyder	Pat Wright	Toni Waldschmidt	1223 W. Eisenhower Blvd.	Loveland	CO	80537	970-622-8300
Kathleen	Osgood			11187 Sheridan Boulevard, Unit 9	Westminster	CO	80020	303-410-0005
Raymond	Fernandez	Cle Juan	Carson	9186 Glades Road	Boca Raton	FL	33434	561-325-8915
Daniel	Gonzalez			398 N. Congress Avenue, Suite 105	Boynton Beach	FL	33426	561-375-8726
Vitelio	Silva	Kim	Ayers	26248 U.S. Highway 19 North	Clearwater	FL	33761	727-240-1133
Roger	Taylor			7080 State Road 84, Bay 2	Davie	FL	33317	954-452-0600
Len & Gayle	Cava			90 South Congress Avenue	Delray Beach	FL	33445	561-279-0953
Roberto	Hernandez	Jimmy	Geryk	2661 NW 79th Avenue	Doral	FL	33122	305-594-2002
Ana	Molina			1549 E. Commercial Blvd.	Ft. Lauderdale	FL	33334	954-938-1977
Juan	Sanchez			3418 W. 84th Street, Suite 102	Hialeah	FL	33018	305-231-7102
William	Foster			540-125 Commerce Center	Jacksonville	FL	32225	904-309-9535
Beatriz	Cardona			1917 Passero Avenue	Lutz	FL	33559	813-994-0118
Daniela	Tombion			1410 Pine Ridge Road, Suite #9	Naples	FL	34108	239-593-2193
Daniela	Rovayo			8991 W. Colonial Drive, Unit 112	Ocoee	FL	34761	407-203-1990
Richard	Lewis	Jeriana	Phillips	320 South Highway 19	Palatka	FL	32177	386-329-5503
Leonard & Marina	Haber			3954 Northlake Blvd.	Palm Beach Gardens	FL	33403	561-775-9195
Michele	McIntire			5931 Palmer Blvd. West	Sarasota	FL	34233	941-312-5494
Aaron	Akers	Rob	Kershaw	3909 W. Kennedy Blvd.	Tampa (South)	FL	33609	813-878-2400
Paul	Lytle			915 17th Street, Suite 102	Vero Beach	FL	32960	772-299-3883
Ben	Bassett			1369 North Military Trail	West Palm Beach	FL	33409	561-615-8655
Peter	Varkoly	Robert	Reeger	3236 Cobb Parkway	Atlanta (Smyrna)	GA	30339	770-984-9494
Layne	Okii			507 E. Lanikaula Street	Hilo	HI	96720	808-934-0011
Mary	Whitworth			677 Ala Moana Blvd., Suite 110	Honolulu	HI	96813	808-566-6561
Andrew	Sallee	Cindy	Eakes	2222 E. 53rd Street, Suite 2	Davenport	IA	52807	563-355-3222
Fred	Jacobi			360 S. Adkins Way, Suite A	Meridian	ID	83642	208-322-2222
Mary	Gorick			267 N. Weber Road	Bolingbrook	IL	60490	630-226-5068
Janice	Means	Wendy	Diskin	6215 Northwest Highway	Crystal Lake	IL	60014	815-444-1081
Eric	Trentz	Darcy	Luling	113 East Barnett Street, #7	Forsyth	IL	62535	217-872-1424
Herbert	Greene			1701 Quincy Avenue, Suite 24	Naperville	IL	60540	630-778-1234

EMBROIDME.COM, INC.
List of Franchisees as of 12/31/16

First Name	Last Name	FirstName2	LastName2	Address	City	State	Zip	Phone
William	Garrigan			2457 Joliet Highway	New Lenox	IL	60451	815-485-4155
Greg	Johnson	Alexander	Barbaro	2845 W. Dundee Road	Northbrook	IL	60062	847-272-9000
Kim	Goodwin	Joan	Varkoly	7810 N. University Avenue	Peoria	IL	61614	309-691-5780
Steve	Schroeder			47 W. Schaumburg Road	Schaumburg	IL	60194	847-301-1010
Jill	Stover			1017 Brook Forest Avenue	Shorewood	IL	60404	815-609-9001
Terry	Aaron			216 South Kirk Road	St. Charles	IL	60174	630-587-8700
Thomas	Albert			7900 E US Hwy 36 Ste C	Avon	IN	46123	317-272-0694
Jeff	Slain	George & Michele	Hanken	9520 E. 126th Street	Fishers	IN	46038	317-845-5002
Jay	Smalley			3300 N. Everbrook Lane, Suite B	Muncie	IN	47304	765-281-8870
Timothy	Kuhar			1639 N. Ironwood Drive, Suite 3	South Bend	IN	46635	(574) 291-2800
Anthony	Micciche	Larry	Ledoyan	2307 Laporte Avenue, Suite 2	Valparaiso	IN	46383	219-465-1400
Kim	Unruh			1909 N. 14th Ave., Suite B	Dodge City	KS	67801	620-227-3100
Todd	Diskin			11082 Strang Line Road	Lenexa	KS	66215	913-451-4500
Jeff	Moffett	HEMA LTD		7512 West 119th Street	Overland Park	KS	66213	913-663-2600
Tricia	Salyer			171 West Lowry Lane, Suite 156	Lexington	KY	40503	859-260-1234
Wendy	Case	Justin		13050 Middletown Industrial Blvd., Suite B	Louisville	KY	40223	502-893-4893
Stephanie	Greenhill	Louis	Martinez	3755 N. Mayo Trail, Suite 2	Pikeville	KY	41501	606-637-1632
Michael	Rosamond			5860 Citrus Blvd., Suite C	Harahan	LA	70123	504-434-4710
Michael	Rosamond			1890 B Causeway	Mandeville	LA	70471	985-624-9718
Glenn	Landry			58465 Tyler Drive, Suite 11	Slidell	LA	70461	985-649-5055
Kent	Pomerleau			14 Littleton Road	Chelmsford	MA	01824	978-244-0050
Alex	Taggard			313 Washington Street, Suite 109	Newton	MA	02458	617-795-1888
Timothy	Miller	Mary Ellen		1268 Main Street	Tewksbury	MA	01876	978-851-1005
Kevin	Magliozzi			1091 Lexington Street	Waltham	MA	02452	781-899-7624
Dare	Akingbade			8841-A Belair Road	Baltimore	MD	21236	410-663-3636
Daniel	Swearingen			6600 Baltimore National Pike Suite D1	Catonsville	MD	21228	410-744-6974
Thomas	Foust			7030 Wisconsin Avenue	Chevy Chase	MD	20815	301-656-5608
Peter	Leboutillier			10540 York Road	Cockeysville	MD	21030	410-683-3383
Daniel	Dubell	Garmonte, LLC		2216 Commerce Road, Unit 3	Forest Hill	MD	21050	443-640-6414
Angela	Foster			5732 Buckeystown Pike #4	Frederick	MD	21704	301-631-5321
Jose	Chile			12079-12081 Nebel Street	Rockville	MD	20852	301-315-0488
George & Stephanie	Noyes			534 Jermor Lane	Westminster	MD	21157	410-871-9820
Brenda	Hackman			27857 Orchard Lake Road	Farmington Hills	MI	48334	248-994-0105
Amy	Nelson			6095 28th Street SE, Suite 3	Grand Rapids	MI	49546	616-285-8009
Michael	Pascarelli			1567 South Airport Road West	Traverse City	MI	49686	231-932-0688
Mark	Lyons			3005 Biddle Avenue; Suite 2	Wyandotte	MI	48192	734-281-1500
Ross	Rosenthal			16368 Wagner Way	Eden Prairie	MN	55344	952-906-2894
Gary	Dotseth			13617 Grove Drive	Maple Grove	MN	55311	763-416-3274
James	Kennedy			1692 Lexington Avenue N.	Roseville	MN	55113	651-251-2246
Gary & Pam	Duncan			7730 Hudson Road, Suite 20	Woodbury	MN	55125	651-379-1799
Bill	Albert	Sandra	Sapol	119 Chesterfield Towne Centre	Chesterfield	MO	63005	636-532-0066
Charles	Scott			1230-1238 W. Williams Street	Apex	NC	27502	919-335-8345
Bertrand	Badie	Deborah	Wade	19722 One Norman Drive	Cornelius	NC	28031	704-987-9630
Kelly	Gunterman			105 W. NC Highway 54	Durham	NC	27713	919-316-1538
Amanda	Hodges			3410 Wendover Avenue W	Greensboro	NC	27407	336-285-9492
Rodney	Gibson	Miller Family Enterprises, LLC		825 Spartanburg Highway; Suite 5	Hendersonville	NC	28792	828-698-4802
Gary	Schmidt			2301 16th Street SW	Minot	ND	58784	701-838-0873
Salvatore	Calautti			410 South River Road, Unit #6	Bedford	NH	03110	603-647-9994
Salvatore	Calautti			345 Amherst Street	Nashua	NH	03063	603-879-9998

EMBROIDME.COM, INC.
List of Franchisees as of 12/31/16

First Name	Last Name	FirstName2	LastName2	Address	City	State	Zip	Phone
Nicholas	D'Alleva	Olexa Integrated Enterprises, Inc.		236 North Broadway, Unit I	Salem	NH	03079	603-893-0800
Robert	Karnila			215 Route 22 East	Greenbrook	NJ	08812	732-752-1871
Michael	Fried	Gregory	Brown	381 Main Street	Hackensack	NJ	07601	201-489-6766
Harris	Sanders			520 Route 9 North	Manalapan	NJ	07726	732-851-6944
George	Zacieracha			16 Pine Street	Morristown	NJ	07960	973-267-3000
Robert	Pouliot	Jeff	Withrow	5 Route 206; Suite 3-11	Raritan	NJ	08869	908-595-0700
Eran	Basis			6 Washington Street	Tenafly	NJ	07670	201-815-2700
Todd	Martinez	Hilda	Pirim	6600 Holly NE, Suite B4	Albuquerque	NM	87113	505-797-8005
Darcy	Zavislak			1850 Whitney Mesa Drive, # 130	Henderson	NV	89104	702-453-8004
Marc	Hartman			64 East Sunrise Highway	Lindenhurst	NY	11757	631-991-3646
Tim & Carol	Slater			7567 Oswego Rd	Liverpool	NY	13090	315-409-0002
Mohammed	Esmalsadah			453 Walt Whitman Road	Melville	NY	11747	631-423-3700
Angelo	Bonvino	Valerie	Mano-Badie	27 North Middletown Road	Nanuet	NY	10954	845-627-7711
Maria	Emma			5 East 33rd Street	New York	NY	10016	212-695-9530
Scott & Diane	Pawenski			2600 South Rd., Suite 37A	Poughkeepsie	NY	12601	845-452-2400
Paul	Smith	Michael	Johnson	2920 Route 6, Unit 1	Slate Hill	NY	10973	845-697-5455
Roberto	Costilla			42 Hillside Avenue	Williston Park	NY	11596	516-535-4085
Paul	Brestelli			2638 West State Street	Alliance	OH	44601	330-823-8255
Kenneth	Grodek			4311 Ridge Road	Brooklyn	OH	44144	216-459-9250
Edward & Kristina	Hamsher			3611 Cleveland Avenue SW	Canton	OH	44707	330-484-8484
Matt	Towne	Melody	Gibson	857 E. Franklin Street	Centerville	OH	45459	937-434-0404
Richard & Cynthia	King	Michelle	Oki	91 N. Paint Street	Chillicothe	OH	45601	740-851-5807
James	Willman	Gaby	Rovayo	8001 Beechmont Avenue	Cincinnati East	OH	45255	513-231-2600
Scott	Foresta			7215 Sawmill Road, Suite 25	Dublin	OH	43016	614-789-1898
David	Foresta	Joanne	Karnila	950 Taylor Station Road, Suite U	Gahanna	OH	43230	614-626-8747
Fatima Cristina	Bertero			3683 Clague Road	North Olmsted	OH	44070	440-716-8899
Bruce & Nanette	Sorenson			1142 Hill Road North	Pickerington	OH	43147	614-501-9515
Peter	Brennan			7115 South Mingo Road	Tulsa	OK	74133	918-459-6699
Willie	Girlinghouse			1217A Garth Brooks Blvd.	Yukon	OK	73099	405-265-3330
Ken	Bachich			155 Rohrerstown Road	Lancaster	PA	17603	717-399-0204
Charles	Wade			7249 St. Andrews Road, Suite 300	Columbia	SC	29212	803-787-5117
Milton	Makoski			3215 Devine Street	Columbia	SC	29205	803-764-3663
Todd	Smith			5146 Wade Hampton Blvd.	Taylors	SC	29687	864-292-2500
Vicki	Bauer			5017 S. Louise Avenue	Sioux Falls	SD	57108	605-274-0105
Antoine	Buchanan			5311 Mount View Road	Antioch	TN	37013	615-717-1586
Michelle	Johnson			7140 Stage Road	Bartlett	TN	38133	901-922-5362
Cynthia	Gale			1229 Eastman Road, Suite 215	Kingsport	TN	37664	423-392-9995
Richard	Eakes			1818 Northwest Broad Street	Murfreesboro	TN	37129	615-895-1182
Tom	Carson	Pamela	Schmidt	4102 Buffalo Gap Road, Suite K	Abilene	TX	79605	325-795-0088
Martin	Rains			7620 Hillside Road, Suite 300	Amarillo	TX	79119	806-355-3600
Kathryn	Baum			8708 S. Congress Avenue, Suite B-250	Austin	TX	78745	512-892-1300
Amy	Lampe	Leslie	Lewis	1630 Valwood Parkway, #116	Carrollton	TX	75006	972-247-9933
William	Wheatley			140 West FM 1382, Suite 177	Cedar Hill	TX	75104	972-293-3003
Jo-Anne	Reeger	Allen	Willinsky	11133 I-45 South, Suite 290	Conroe	TX	77302	936-271-1500
Carol	Geryk			4535 SPID, Suite 12	Corpus Christi	TX	78416	361-334-0898
Larry	Peterson			5400 East Mockingbird Lane #122	Dallas (Metro)	TX	75206	214-828-2223
Wilson	Mendez			2713 E. Missouri Avenue	El Paso	TX	79903	915-234-2339
Eddie	Isaac			3411 Preston Road, #6	Frisco	TX	75034	972-668-8530
Edgar	Gomez			6420 FM 1463, Suite 200	Fulshear	TX	77441	281-232-7577
Chung Hua Linda	Hsiang	Rebecca	Besaw	11300 Interstate 10 Frontage Road	Houston	TX	77043	281-596-8880

EMBROIDME.COM, INC.
List of Franchisees as of 12/31/16

First Name	Last Name	FirstName2	LastName2	Address	City	State	Zip	Phone
Denise	Padilla			519 Durham Drive, Suite B	Houston	TX	77007	832-834-3513
Cherie	Wrenn			17375 Tomball Parkway, # 2F	Houston	TX	77064	832-559-2113
Janet	Domec	Joe	Martinez	11808 Barker Cypress, Suite D	Houston (Cypress)	TX	77433	832-653-5560
Virgilio	Pineda	Devin	Henley	4451FM 1960 East, Suite A	Humble	TX	77346	281-812-2656
Jim	Ayers	Cheston	Syma	430 South Mason Road	Katy	TX	77450	281-693-0444
Carol	Geryk			1010 So. 14th Street	Kingsville	TX	78363	361-592-4700
Hector & Joanne	Leal	Dina		300 W. Nolana Avenue	McAllen	TX	78504	956-683-8006
David	Gruver			400 N. Central Expressway, Suite 104	McKinney	TX	75070	469-952-5051
Darlene	Brown			8333 Culebra Road, Suite 204 B	San Antonio	TX	78251	210-647-7560
Justin	O'Donnell			6000 FM 3009 Suite 202	Schertz	TX	78154	210-655-6300
Chip	Frank	Chris Grohman	Jeffrey L. Mitchell	2140 E. Southlake Blvd., Suite N	Southlake	TX	76092	817-442-0601
Nancy	Flynn			18508 Kuykendahl Road	Spring	TX	77379	281-651-1980
Gwendolyn	Jones			3527 Highway 6 South, #140	Sugarland	TX	77478	281-242-4700
William (Randy)	Gunn			1585 US 77, Suite E	Waxahatchie	TX	75165	972-923-0970
Debra	Holzbach			20801 Gulf Freeway, Suite 22	Webster	TX	77598	281-557-4400
Tom & Rosemarie	Black			83 W. 3300 S	Salt Lake City	UT	84115	801-486-1234
Gary	Montante			4656-A King Street	Alexandria	VA	22302	703-575-9003
Fadhel	Alfadhli			10370 Main Street	Fairfax	VA	22030	703-273-2061
Tony	Hite			6981 Gateway Court	Manassas	VA	20109	703-366-3077
Michael	Kim			7702 - C Backlick Road	Springfield	VA	22150	703-644-5080
Jason (Scott)	Bryant	Claudia Moreno;	Diana Valdes	3018 Virginia Beach Blvd.	Virginia Beach	VA	23452	757-498-3453
Ali	Alherimi			14220 NE 20th Street, Suite D	Bellevue	WA	98007	425-643-1155
Mark	Domasky			N 474 Eisenhower Drive, Suite L	Appleton	WI	54915	920-738-1999
Borivoj	Brankov (Bora)	Kenneth	Greenhill	2355-B N. 124th Street	Brookfield	WI	53005	262-787-5401
Warren	Hintz			690-G Westfield Way	Pewaukee	WI	53072	262-695-6999
Mark	Jawson			807 Liberty Drive	Verona	WI	53188	608-497-1116
Mark	Luling			147 East Sunset Drive	Waukesha	WI	53189	262-446-3420
Mike	Besaw	Darlene	Trentz	607 S. 24th Avenue, Suite 12	Wausau	WI	54401	715-843-0707
Shane	Day			6349 Route 60 East, Suite 4-A	Barboursville	WV	25504	304-736-2400

Franchise Agreements Signed But Stores Not Yet Open

Michael	Grossman			2845 W. Dundee Road	Northbrook	IL	60062	847-272-9000
Samaresh	Singh			To Be Determined	Campbell	CA		408-677-3587
Shahed	Khan			863 East Main Street	Stamford	CT	06901	347-600-0392
Greg	Waidmann			540 State Road 13 North, #105	Fruit Cove	FL	32259	330-573-2929
Luis	Rivera	Emma	Rivera	1695 W. Indiantown Rd, Ste 17/18	Jupiter	FL	33458	561-291-5401
Layne	Oki			688 Kinoole Street, Suite 115 B	Hilo	HI	96720	808-961-0308
Simrat	Ghoman			To Be Determined	Indianapolis	IN		317-600-9820
Mark	Lyons			6095 28th Street SE, Suite 3	Grand Rapids	MI	49546	616-285-8009
Jude	Yahn Jr	Erica	Yahn	7115 South Mingo Road	Tulsa	OK	74133	918-459-6699
Timothy	Booker			1220 N. Town East Blvd., Suite 130	Mesquite	TX	75150	318-436-9492
Sherlita	LeGrand			To Be Determined	Virginia Beach	VA		757-687-6657

EXHIBIT F

TABLE OF CONTENTS FOR OPERATING MANUAL

**THE EMBROIDME.COM INC.
D/B/A FULLY PROMOTED
BUSINESS SYSTEM**

TABLE OF CONTENTS

The following is a listing of 11 categories consisting of topics covered in our Confidential Procedure Manual. The total number of pages is 298. Under each category is a general outline of what is covered for each category.

1. GENERAL INTRODUCTION – 22 Pages

- Owning Your Own Business
- The Apparel & Promotional Product Business
- The Embroidme.com d/b/a Fully Promoted Business System
- The 5 Keys to Success
- Training: Schedule, Goals, Procedures

2. MARKETING – 22 Pages

- | | |
|----------------------------------|---------------------------------------|
| • Introduction | • Suggestive Selling |
| • Sales Basics | • Selling Higher Prices |
| • Marketing Programs | • Selling In-House Products |
| • Daily Schedule | • Selling Outside Services |
| • Top Ten Tips To Remember | • Closing Orders |
| • Probe For Prospects | • Selling Beyond Objections |
| • Marketing Presentation Book | • Incoming Calls |
| • Marketing Tools | • Telephone Sales |
| • How to Make a Sales Call | • Re-Marketing |
| • The Presentation | • Avoiding "Shop-Lock" |
| • Handling Objections | • Hiring Marketing Representatives |
| • Qualifying Prospects | • Advertising |
| • Key Lines | • Direct Mail |
| • Creating a Need | • Thank-Yous |
| • Asking Questions | • Miscellaneous Marketing Approaches |
| • Marketing Follow-Up Procedures | • Telemarketing Program |
| • Setting Appointments | • How to Develop Winning Sales Habits |
| • Quotations | • Review of Marketing |
| • Making the Sale | |
| • Phone Presentation | |
| • Marketing Checklist | |
| • Working Trade Shows | |

3. PRICING – 68 Pages

- POS Software Program
- Embroidery Pricing Guidelines
- Extra Charges
- Logo & Artwork Pricing
- Large Quantities Pricing
- Pricing Maintenance
- Things to Consider
- Outside Services
- Worksheet
- Promotional Products
- Pricing Formula/Procedures
- General Materials Charges
- General Worksheet

4. EQUIPMENT TRAINING – 19 Pages

- Embroidery Operation Control Panel
- Computer Output and Machine Input
- Maintenance & Oiling
- Changeover From Each Mode

5. PRODUCTION CONTROL – 22 Pages

- | | |
|--|---|
| <ul style="list-style-type: none">• Operations• Working Hours• Job Organization• Production Control• Scheduling Work | <ul style="list-style-type: none">• Ordering• Materials Needed• Instituting The Job Box System• Scheduling Charts/Boards |
|--|---|

6. PERSONNEL – 45 Pages

- | | |
|---|--|
| <ul style="list-style-type: none">• Skill Requirements• Rules Of Questioning• The Interview• “Must & Want” Technique• Advertising | <ul style="list-style-type: none">• Steps To Hire• Production Testing• Managing Personnel• Post Interview Checklist |
|---|--|

7. MANAGEMENT – 2 Pages

- | |
|---|
| <ul style="list-style-type: none">• Product Mark-Ups• Cost of Labor• Production Rates• Cost of Goods & Materials |
|---|

8. MATERIALS – 47 Pages

- | |
|--|
| <ul style="list-style-type: none">• General Product Introduction• Fabric Types• Thread Types• Screen Printing• Materials Reference Chart |
|--|

9. FRONT COUNTER SALES – 1 Page

- Steps In Writing An Order

10. OUTSIDE SERVICES – 11 Pages

- ASI & Promotional Products
- Screen printing

11. MISCELLANEOUS – 39 Pages

- Technical Tips
- Copyright & Trademark Laws
- Creating A Business Plan

EXHIBIT G

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

DIRECTORY OF AGENCIES/ AGENTS FOR SERVICE OF PROCESS

CALIFORNIA	Administrator - Department of Business Oversight One Sansome Street, Suite 600 San Francisco, CA 94104 Telephone: 1-866-275-2677 Agent - California Commissioner of Business Oversight Department of Corporations<u>Department of Business Oversight</u> 320 West 4th Street, Suite 750 Los Angeles, CA 90013-1105 1-866-275-2677	
CONNECTICUT	Banking Commissioner - Department of Banking Securities and Business Investments Division 260 Constitution Plaza Hartford, CT 06103-1800 (860) 240-8299	
FLORIDA	Administrator - Department of Agriculture and Consumer Services Division of Consumer Services Mayo Building, Second Floor Tallahassee, FL 32399-0800	Agent- Jill K. Klein 2121 Vista Parkway West Palm Beach, FL 33411
HAWAII	Commissioner of Securities Department of Commerce and Consumer Affairs Business Registration Division 335 Merchant Street, Room 203 Honolulu, HI 96813 Telephone: 808-586-2722	
ILLINOIS	State of Illinois – Franchise Bureau Office of Attorney General 500 S. Second Street Springfield, IL 62706 (217) 782-4465	
INDIANA	Agent – Indiana Secretary of State 201 State House 200 W. Washington Street Indianapolis, IN 46204 Telephone: 317-232-6531	Administrator - Indiana Securities Division 302 W. Washington St., Rm. E-111 Indianapolis, IN 46204 Telephone: 317-232-6681

MARYLAND	Agent – Maryland Securities Commissioner 200 St. Paul Place Baltimore, MD 21202 Administrator - Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, MD 21202
MICHIGAN	Michigan Department of Attorney General Corporations and Securities Bureau PO Box 30054 6546 Mercantile Way Lansing, MI 48909
MINNESOTA	Minnesota Department of Commerce 85 7th Place East, Suite 500 St. Paul, MN 55101-3165
NEW YORK	Administrator - New York State Department of Law 120 Broadway, 23rd Floor New York, NY 10271 Agent - New York Secretary of State 99 Washington Avenue Albany, NY 12231
NORTH DAKOTA	North Dakota Securities Department 600 East Boulevard Avenue State Capitol, Fifth Floor Department 414 Bismarck, ND 58505-0510 Phone: 701-328-4712
RHODE ISLAND	State of Rhode Island Dept. of Business Regulation Securities Division 1511 Pontiac Avenue John O. Pastore Complex, Building 69-1 Cranston, RI 02920
SOUTH DAKOTA	South Dakota Department of Labor and Regulation Division of Securities 124 S. Euclid, Suite 104 Pierre, SD 57501
TEXAS	Secretary of State P.O. Box 12887 Austin, TX 78711

VIRGINIA	<u>Registered Agent:</u> Clerk of the State Corporation Commission 1300 E. Main Street, 1ST Floor Richmond, VA 23219 Telephone: 804-371-9733 <u>State Administrator:</u> State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9th Floor Richmond, VA 23219 Telephone: 804- 371-9051
WASHINGTON	Department of Financial Institutions 150 Israel Rd. SW Tumwater, WA 98501
WISCONSIN	Wisconsin Securities Commission 345 W. Washington Ave., Fourth Floor Madison, WI 53703 Telephone: 608-266-1064

EXHIBIT H

GENERAL RELEASE AGREEMENT

GENERAL RELEASE AGREEMENT

THIS GENERAL RELEASE AGREEMENT (“Agreement”) is made between **EMBROIDME.COM, INC.**, a Florida corporation d/b/a Fully Promoted™ (hereinafter referred to as the “Franchisor”) and _____, whose business is located at _____ hereinafter referred to as the “Franchisee”).

INTRODUCTION

A. The Franchisor and the Franchisee entered into a Franchise Agreement (the “original Franchise Agreement”) dated _____, pursuant to which the Franchisor granted the Franchisee a Fully Promoted franchise.

B. The parties desire to terminate the original Franchise Agreement on the terms and conditions set forth in this Agreement.

C. This Agreement has been supported by full and adequate consideration, receipt of which is hereby acknowledged by both the Franchisee and the Franchisor.

The parties agree as follows:

1. **Termination of Franchise Agreement and Related Agreements.** The parties agree that, subject to Section 3 hereof and the terms and conditions set forth in Schedule A attached hereto, the original Franchise Agreement and all obligations of the Franchisee and Franchisor under or arising from the original Franchise Agreement are hereby terminated.

2. **Mutual General Releases.** Subject to Section 3 hereof, the Franchisee, for itself and its officers, directors, stockholders, agents, affiliates, employees, representatives, successors and assigns, does hereby release and forever discharge the Franchisor and its officers, directors, stockholders, agents, affiliates, employees, representatives, successors and assigns from all causes of action, suits, debts, covenants, agreements, damages, judgments, claims and demands whatsoever, in law or equity, which the Franchisee ever had, now has, or hereinafter can, shall or may have from the beginning of the world to the date of this Agreement, for, upon, or by reason of any matter, cause or thing whatsoever, including, without limitation, arising out of or in connection with, directly or indirectly, the original Franchise Agreement, the Franchisor’s offer, sale or negotiation of the Fully Promoted franchise, the relationship of the parties arising therefrom, or the Franchisor’s conduct in obtaining and entering into agreements.

Subject to Section 3 hereof, the Franchisor, for itself and its officers, directors, stockholders, agents, affiliates, employees, representatives, successors and assigns, does hereby release and forever discharge the Franchisee and its officers, directors, stockholders, agents, affiliates, employees, representatives, successors and assigns from all causes of action, suits, debts, covenants, agreements, damages, judgments, claims and demands whatsoever, in law or equity, which the Franchisor ever had, now has, or hereinafter can, shall or may have from the beginning of the world to the date of this Agreement, for, upon, or by reason of any matter, cause or thing whatsoever, including, without limitation, arising out of or in connection with, directly or indirectly, the original Franchise Agreement.

Initials

3. **Post-Term Covenants; Special Stipulation.** The termination and release provided in this Agreement shall have no effect on those obligations of the Franchisee (and its owners and guarantors, if any) arising out of the original Franchise Agreement or any other agreement which concern the payment of any accrued but unpaid amounts owed to the Franchisor (whether known or unknown), or which otherwise expressly or by their nature survive the termination of the original Franchise Agreement, including, without limitation, obligations pertaining to the Franchisee's indemnification obligations, non-disclosure of the Franchisor's confidential information and non-competition with the Franchisor. In addition, all obligations of the parties, if any, in the original Franchise Agreement pertaining to mediation and arbitration of disputes and jurisdiction and venue for dispute resolution, shall apply with equal force to the terms and conditions of this Agreement, as if set forth herein. Such obligations shall continue in full force and effect in accordance with their terms subsequent to termination of the original Franchise Agreement and until they are satisfied or by their nature expire. The Franchisee acknowledges and agrees it has no right, title or interest in and to the trademarks associated with Franchisor's franchise system, including, without limitation, "Fully Promoted," "EmbroidMe," and any colorable imitation thereof.

4. **Confidentiality.** It is acknowledged by the Franchisee that the terms of this Agreement are in all respects confidential in nature, and that any disclosure or use of the same by the Franchisee may cause serious harm or damage to the Franchisor, and its owners and officers. Therefore, the Franchisee agrees, either directly or indirectly by agent, employee, or representative, not to disclose the termination, this Agreement or the information contained herein, either in whole or in part, to any third party, except as may be required by law.

5. **Non-Disparagement.** The parties agree that at no time will they make any derogatory statements about or otherwise disparage, defame, impugn or damage the reputation of integrity of the others, provided that nothing in this paragraph will preclude any party from providing truthful information in response to compulsory legal process. The parties further agree not to, and to use their best efforts to cause any of the parties' agents, employees or affiliates not to, disparage or otherwise speak or write negatively, directly or indirectly, of the parties' brands, systems, or any other service-marked or trademarked concept of the parties or the parties' affiliates, or which would subject such brands, systems or concepts to ridicule, scandal, reproach, scorn, or indignity or which would negatively impact the goodwill of the parties or their brands, systems or service-marked or trademarked concepts.

6. **Binding Effect.** All of the terms and provisions of this Agreement, whether so expressed or not, shall be binding upon, inure to the benefit of, and be enforceable by the parties and their respective legal representatives, heirs, successors and permitted assigns.

7. **Interpretation.** Each of the parties acknowledge that they have been or have had the opportunity to have been represented by their own counsel throughout the negotiations and at the execution of this Agreement and all of the other documents executed incidental hereto, if any, and, therefore, the parties agree that none of the provisions of this Agreement or any of the other documents should be construed against any party more strictly than against the other.

8. **Entire Agreement.** This Agreement, including any Schedules attached hereto (which are considered a part of this Agreement), represent the entire understanding and agreement between the parties

with respect to the subject matter hereof, and supersede all other negotiations, understandings and representations if any made by and between the parties.

9. **Governing Law.** Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. §§ 1051 et seq.), this Agreement and all transactions contemplated by this Agreement shall be governed by, and construed and enforced in accordance with, the internal laws of the State of Florida without regard to principles of conflicts of laws.

10. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Confirmation of execution by telex or by telecopy facsimile signature page shall be binding upon any party so confirming or telecopying.

11. **Effectiveness of Agreement.** This Agreement shall not be effective until it has been signed by the Franchisee and an authorized officer of the Franchisor and delivered fully executed to the Franchisee and the Franchisor.

THE UNDERSIGNED have read, fully understand, and, by executing below, agree to the terms and conditions of this Agreement.

EmbroidMe.Com, Inc. d/b/a Fully Promoted:

The Franchisee:

By: _____

Signature: _____

Print Name: _____

Print Name: _____

Date: _____

Date: _____

Signature: _____

Print Name: _____

Date: _____

SCHEDULE A

ADDITIONAL TERMS AND CONDITIONS FOR TRANSFER AND ASSUMPTION OF FRANCHISE

The Franchisee desires to transfer its rights to operate its Fully Promoted Store operated under the original Franchise Agreement (the "Fully Promoted Store") to a successor franchisee, _____ ("Successor Franchisee"). The Successor Franchisee desires to continue operating such Fully Promoted Store pursuant to a Successor Franchise Agreement with Franchisor. The terms and conditions of this Schedule "A" supplement the terms and conditions of the foregoing General Release Agreement of which this Schedule forms a part.

The parties agree that the foregoing recitals are true and correct, and for good and valuable consideration, the receipt of which is acknowledged by each of the parties, the parties agree as follows:

1. **Transfer.** Effective as of the date of this Agreement, the Franchisee does hereby bargain, sell, assign, convey, and transfer all of Franchisee's rights to the Successor Franchisee to operate the Fully Promoted Store, pursuant to the Successor Franchise Agreement and any related written agreements between the Successor Franchisee and Franchisor. Subject to the terms of such Successor Franchise Agreement and related written agreements with Franchisor, the Successor Franchisee hereby accepts and assumes the rights and obligations of the Franchisee to operate the Fully Promoted Store. Successor Franchisee is not assuming any liabilities of Franchisee to Franchisor. If for any reason the sale of Franchisee's business to Successor Franchisee is not completed, the General Release Agreement will be deemed null and void and Franchisee shall continue to operate the Fully Promoted Store under the terms of the original Franchise Agreement. Unless otherwise provided in a written agreement between Franchisee and Successor Franchisee, Franchisee, during the period from the date hereof to the final closing date of the sale of the Fully Promoted Store to the Successor Franchisee, shall operate the Fully Promoted Store for his/her own account.

2. **Successor Agreements and Payments.** The Successor Franchisee is hereby delivering to Franchisor its duly signed Successor Franchise Agreement and any related agreements that may be required as a result of this transaction under the original Franchise Agreements. The Successor Franchise Agreement means the current standard form of Franchise Agreement required by the Franchisor, subject to any modifications consented to in writing by Franchisor. The Successor Franchisee is also hereby delivering to Franchisor a training fee in the amount of \$29,500.00. No initial franchise fee shall be due under the Successor Franchise Agreement from the Successor Franchisee.

3. **Consents, Subordination and Acknowledgments.** The Franchisor consents to the transfer to and assumption by the Successor Franchisee in accordance with this Agreement. Such consent does not constitute approval of, nor agreement with, any of the provisions of any agreement (other than this Agreement) between the Franchisee and Successor Franchisee. The Franchisee and Successor Franchisee specifically acknowledge that the Franchisor is not a party to any such agreements. The Franchisee agrees that its rights pursuant to any agreements with the Successor Franchisee, are subject to and subordinate in all respects to Franchisor's rights under the Successor Franchise Agreement and all related agreements, if any, between the Franchisor and Successor Franchisee, including all renewals, modifications, and extensions, if any, to such agreements. The Successor Franchisee agrees that its rights concerning the

Franchisor exist pursuant only to the written agreements entered between the Franchisor and Successor Franchise, and in the event of any conflict with the terms of this Agreement, except regarding the waiver of the payment of an initial franchise fee, the terms of such other agreements shall control. The Successor Franchisee acknowledges that it has received and reviewed the General Release Agreement of which this Schedule "A" forms a part. The Successor Franchisee further acknowledges that, except as expressly provided in this Agreement, Franchisor has no liability with respect to, related to, or arising out of, any transaction between the Franchisee and Successor Franchisee, and releases, indemnifies and holds the Franchisor harmless from same.

FRANCHISOR:

The Franchisee:

EmbroidMe.Com, Inc. d/b/a Fully Promoted:

By: _____

Date: _____

Signature: _____

Date: _____

Signature: _____

Date: _____

(Print Corporation Name -if one)

By: _____
Print Name/Title

Date: _____

SUCCESSOR FRANCHISEE:

Signature: _____

Date: _____

(Print Corporation Name -if one)

By: _____
Print Name/Title

Date: _____

EXHIBIT I

**LIST OF TERMINATED, CANCELLED, OR NOT RENEWED
FRANCHISEES**

List of Terminated, Cancelled, Not Renewed or Ceased to do Business Franchisees as of 12/31/16

First Name	Last Name	FirstName2	LastName2	Address	City	State	Zip	Phone
Mary	Doyle			6400 E. Stearns Street	Long Beach	CA	90815	562-276-2361
Doug & Cynthia	Warner*			7204 Archibald Avenue	Rancho Cucamonga	CA	91701	909-948-9710
Dwayne	Lewis	Tammy	Lewis	2120 West Brandon Blvd.	Brandon	FL	33511	813-653-1590
Ron	Mosca			1808 West International Speedway, Suite 304A	Daytona Beach	FL	32114	386-255-5880
Yolanda	Fernandez*			1549 E. Commercial Blvd.	Fort Lauderdale	FL	33334	954-938-1977
Philip	Mobley*			540-125 Commerce Center	Jacksonville	FL	32225	904-309-9535
Nicholas	Jaksich*	Jaksich Enterprises, Inc.		1410 Pine Ridge Road, Suite #9	Naples	FL	34108	239-593-2193
Jason	Gullett, Jr.*	Amy	Gullett*	320 South Highway 19	Palatka	FL	32177	386-329-5503
Mervin	Moss	Stephanie	Moss	5383 E. 82nd Street	Indianapolis	IN	46250	317-577-7600
Remie	Morel			3445 Cedarcrest Avenue	Baton Rouge	LA	70816	225-927-9702
Lucille	Bonee*			5860 Citrus Blvd., Suite C	Harahan	LA	70123	504-434-4710
Tim	Connors			1690 Main Street, Suite 6	Weymouth	MA	02190	781-331-2316
Jeffrey	Boden*			7030 Wisconsin Avenue	Chevy Chase	MD	20815	301-656-5608
Patrick	McCartney*	Kathy	McCartney*	19722 One Norman Blvd., Suite 220	Cornelius	NC	28031	704-987-9630
Sundari	Ganesan*	Manickam	Ganesan*	105 W. NC Highway 54, Suite 261	Durham	NC	27713	919-316-1538
Andrew	Berry*	Jamie	Berry*	410 South River Road, Unit #6	Bedford	NH	03110	603-647-9994
Edward	Sullivan	Lynn Marie	Sullivan	23 Lafayette Square, Suite 106	Buffalo	NY	14203	716-842-2600
Joe	Vulpio*			4140 Tuller Road, #114	Dublin	OH	43017	614-789-1898
Carl	Stuckey*	Deborah	Stuckey*	3411 Preston Road, Suite #6	Frisco	TX	75034	972-668-8530
Kiran	Gunnam			13894 Metrotech Drive	Chantilly	VA	20151	703-435-7773
Jeff	Jacobson*	Teresa	Jacobson*	6674 Odana Road	Madison	WI	53719	608-824-3921
Kaye (Charli)	King			575 North Knowles Avenue, Suite E	New Richmond	WI	54017	715-246-6261
Stephen (Rip)	Dawson IV			951 National Road	Wheeling	WV	26003	304-905-0036

*Franchisees who sold their store in 2016

EXHIBIT J

COMPLIANCE CERTIFICATE

FULLY PROMOTED

COMPLIANCE CERTIFICATION

You are preparing to enter into a Franchise Agreement for the establishment and operation of a Fully Promoted business. The purpose of this Compliance Certification is to determine whether any statements or promises were made to you that EmbroidMe.com, Inc. d/b/a Fully Promoted (“the Franchisor”) has not authorized and that may be untrue, inaccurate, or misleading.

A. The following dates are true and correct:

_____	_____	The date on which I first received a Franchise Disclosure Document about the
(Date)	(Initials)	Fully Promoted franchise.

_____	_____	The date of my first face-to-face meeting with a franchise sales representative of
(Date)	(Initials)	the Franchisor to discuss the possible purchase of a franchise.

_____	_____	The date on which I signed the contracts and agreements as disclosed in my
(Date)	(Initials)	Franchise Disclosure Document

_____	_____	The earliest date on which I delivered cash, check, or other consideration to the
(Date)	(Initials)	Franchisor in connection with the purchase of a franchise.

B. Please review each of the following questions carefully and provide honest and complete responses to each question:

1. Have you personally reviewed the Franchise Agreement and the Franchise Disclosure Document?
Yes _____ No _____

2. Do you understand all of the information contained in the Franchise Agreement and the Franchise Disclosure Document? Yes _____ No _____

If “No”, what parts of the Franchise Agreement and/or the Franchise Disclosure Document do you not understand? (Attach additional pages, if necessary)

3. Have you discussed the benefits and risks of establishing and operating a Fully Promoted business with an attorney, accountant, or other professional advisor? Yes _____ No _____

4. Do you understand that the success or failure of your Fully Promoted business will depend in large part upon your skills and abilities, competition from other agencies, interest rates, inflation, and other economic and business factors? Yes _____ No _____

5. Has any employee speaking on behalf of the Franchisor made any statement or promise concerning the revenues, profits, or operating costs of any Fully Promoted business operated by the Franchisor or its franchisees? Yes _____ No _____

6. Has any employee speaking on behalf of the Franchisor made any statement or promise regarding the total amount of revenue you might achieve or operating profit you might realize from a Fully Promoted business? Yes _____ No _____

7. Has any employee speaking on behalf of the Franchisor made any statement or promise regarding the costs you may incur in operating a Fully Promoted business that is contrary to or different from the information contained in the Franchise Disclosure Document? Yes ____ No ____
8. Has any employee speaking on behalf of the Franchisor made any statement, promise, or agreement concerning the advertising, marketing, training, support service, or assistance that Franchisor will furnish to you that is contrary to, or different from, the information contained in the Franchise Disclosure Document? Yes ____ No ____
9. Do you understand that your initial franchise fee is non-refundable upon entering into a Franchise Agreement? Yes ____ No ____

C. If you have answered “Yes” to any one of questions B. 5-8, or “No” to question B. 9 please provide a full explanation of each “Yes” answer in the following blank lines. (Attach additional pages, if necessary, and refer to them below) If you have answered “No” to each of questions B. 5-8 and “Yes” to question B.9, please leave the following lines blank.

Please understand that your responses to these questions are important to us and that we will rely on them. By signing this Compliance Certification, you are representing that you have responded truthfully to the above questions.

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

FRANCHISE APPLICANT:

Signature: _____
Print Name: _____

Date: _____

(If applicable)

Corporation Name: _____

By: _____
Print Name/Title: _____

Date: _____

APPROVED BY:

Analyst: **Stacy Herig**

Date: _____

EXHIBIT K –

NONDISCLOSURE AND

NON-COMPETITION AGREEMENT

NONDISCLOSURE AND NON-COMPETITION AGREEMENT

THIS NONDISCLOSURE AND NON-COMPETITION AGREEMENT (this "Agreement") made as of the ____ day of _____, 20____, ("Effective Date") is by and between _____, ("FRANCHISEE") (d/b/a a Fully Promoted Franchise), EmbroidMe.com, Inc., a Florida corporation d/b/a Fully Promoted, ("COMPANY") and _____ of _____ (State), ("INDIVIDUAL") (collectively, the "Parties").

W I T N E S S E T H:

WHEREAS, FRANCHISEE is a party to that certain franchise agreement dated _____, 20__ (the "Franchise Agreement") by and between FRANCHISEE and COMPANY; and

WHEREAS, FRANCHISEE desires INDIVIDUAL to have access to and review certain Trade Secrets and other Confidential Information, which are more particularly described below; and

WHEREAS, FRANCHISEE is required by the Franchise Agreement to have INDIVIDUAL execute this Agreement prior to providing INDIVIDUAL access to said Trade Secrets and other Confidential Information; and

WHEREAS, INDIVIDUAL understands the necessity of not disclosing any such information to any other party or using such information to compete against COMPANY, FRANCHISEE or any other franchisee of COMPANY in any business (i) that offers or provides (or grants franchises or licenses to others to operate a business that offers or provides) online marketing services, lead generation services, printed marketing materials, the production and sale of embroidered, screen-printed apparel and/or advertising and promotional merchandise, marketing campaign management for a variety of printed marketing materials, and/or other services or products the same as or similar to those provided by FRANCHISEE or (ii) in which Trade Secrets and other Confidential Information (as defined below) could be used to the disadvantage of FRANCHISEE, or COMPANY, any affiliate of COMPANY or COMPANY's other franchisees (hereinafter, "Competitive Business"); provided, however, that the term "Competitive Business" shall not apply to any business operated by FRANCHISEE under a Franchise Agreement with COMPANY.

NOW, THEREFORE, in consideration of the mutual promises and undertakings set forth herein, and intending to be legally bound hereby, the Parties hereby mutually agree as follows:

1. Trade Secrets and Confidential Information

INDIVIDUAL acknowledges and understands FRANCHISEE possesses and will possess Trade Secrets and other Confidential Information that are important to its business.

a) For the purposes of this Agreement, a "Trade Secret" is information in any form (including, but not limited to, materials and techniques, technical or non-technical data, formulas, patterns, compilations, programs, devices, methods, techniques, drawings, processes, financial data, financial plans, product plans, passwords and lists of actual or potential customers or suppliers) related to or used in the development and/or operation of Fully Promoted Stores that is not commonly known by or available to the public and that information: (i) derives economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use; and (ii) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

b) For the purposes of this Agreement "Confidential Information" means technical and non-technical information used in or related to the development and/or operation of Fully Promoted Stores that is not commonly known by or available to the public, including, without limitation, Trade Secrets and information contained in the operating manual and training guides and materials. In addition, any other

information identified as confidential when delivered by FRANCHISEE shall be deemed Confidential Information. Confidential Information shall not include, however, any information that: (i) is now or subsequently becomes generally available to the public through no fault of INDIVIDUAL; (ii) INDIVIDUAL can demonstrate was rightfully in its possession, without obligation of nondisclosure, prior to disclosure by FRANCHISEE pursuant to this Agreement; (iii) is independently developed without the use of any Confidential Information; or (iv) is rightfully obtained from a third party who has the right, without obligation of nondisclosure, to transfer or disclose such information.

c) Any information expressly designated by COMPANY or FRANCHISEE as "Trade Secrets" or "Confidential Information" shall be deemed such for all purposes of this Agreement, but the absence of designation shall not relieve INDIVIDUAL of his or her obligations hereunder in respect of information otherwise constituting Trade Secrets or Confidential Information. INDIVIDUAL understands FRANCHISEE's providing of access to the Trade Secrets and other Confidential Information creates a relationship of confidence and trust between INDIVIDUAL and FRANCHISEE with respect to the Trade Secrets and other Confidential Information.

2. Confidentiality/Non-Disclosure

a) INDIVIDUAL shall not communicate or divulge to (or use for the benefit of) any other person, firm, association, or corporation, with the sole exception of FRANCHISEE, now or at any time in the future, any Trade Secrets or other Confidential Information. At all times from the date of this Agreement, INDIVIDUAL must take all steps reasonably necessary and/or requested by FRANCHISEE to ensure that the Confidential Information and Trade Secrets are kept confidential pursuant to the terms of this Agreement. INDIVIDUAL must comply with all applicable policies, procedures and practices that FRANCHISEE has established and may establish from time to time with regard to the Confidential Information and Trade Secrets.

b) INDIVIDUAL's obligations under paragraph 2(a) of this Agreement shall continue in effect after termination or expiration of INDIVIDUAL's relationship with FRANCHISEE, regardless of the reason or reasons for termination or expiration, and whether such termination or expiration is voluntary or involuntary, and FRANCHISEE and/or COMPANY are entitled to communicate INDIVIDUAL's obligations under this Agreement to any future customer or employer to the extent deemed necessary by FRANCHISEE and/or COMPANY for protection of their rights hereunder and regardless of whether INDIVIDUAL or any of its affiliates or assigns becomes an investor, partner, joint venturer, broker, distributor or the like in a Fully Promoted Store.

3. Non-Competition

a) During the term of INDIVIDUAL's relationship with FRANCHISEE and for a period of two (2) years after the expiration or termination of INDIVIDUAL's relationship with FRANCHISEE, regardless of the cause of expiration or termination, INDIVIDUAL shall not, directly or indirectly, for themselves or through, on behalf of or in conjunction with, any person, persons, partnership, corporation, limited liability company or other business entity, divert or attempt to divert any business or customer of FRANCHISEE to any Competitive Business, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the COMPANY's trademarks "Fully Promoted," "EmbroidMe" and such other trade names, trademarks, service marks, trade dress, designs, graphics, logos, emblems, insignia, fascia, slogans, drawings and other commercial symbols as the COMPANY designates to be used in connection with Fully Promoted Stores.

b) During the term of INDIVIDUAL's relationship with FRANCHISEE, INDIVIDUAL shall not, directly or indirectly, for themselves or through, on behalf of or in conjunction with, any person, persons, partnership, corporation, limited liability company or other business entity, carry on, be engaged in or take part in, render services to, or own or share in the earnings of any Competitive Business anywhere within the United States without the express written consent of FRANCHISEE and COMPANY.

c) For a two (2) year period following the term of INDIVIDUAL's relationship with FRANCHISEE, regardless of the cause of termination, INDIVIDUAL shall not, directly or indirectly, for themselves or through, on behalf of or in conjunction with, any person, persons, partnership, corporation, limited liability company or other business entity, carry on, be engaged in or take part in, render services to, or own or share in the earnings of any Competitive Business within a twenty-five (25) mile radius of FRANCHISEE's Fully Promoted Store or within twenty-five (25) miles of any other Fully Promoted Store without the express written consent of FRANCHISEE and COMPANY.

d) During the term of INDIVIDUAL's relationship with FRANCHISEE and for a period of two (2) years thereafter, regardless of the cause of termination, INDIVIDUAL shall not, directly or indirectly, solicit or otherwise attempt to induce or influence any employee or other business associate of FRANCHISEE, COMPANY or any other Fully Promoted Store to compete against, or terminate or modify his, her or its employment or business relationship with, FRANCHISEE, COMPANY or any other Fully Promoted Store.

4. Reasonableness of Restrictions

INDIVIDUAL acknowledges that each of the terms set forth herein, including the restrictive covenants, is fair and reasonable and is reasonably required for the protection of FRANCHISEE, COMPANY, and COMPANY's Trade Secrets and other Confidential Information, the COMPANY's business system, network of franchises and trade and service marks, and INDIVIDUAL waives any right to challenge these restrictions as being overly broad, unreasonable or otherwise unenforceable. If, however, a court of competent jurisdiction determines that any such restriction is unreasonable or unenforceable, then INDIVIDUAL shall submit to the reduction of any such activity, time period or geographic restriction necessary to enable the court to enforce such restrictions to the fullest extent permitted under applicable law. It is the desire and intent of the Parties that the provisions of this Agreement shall be enforced to the fullest extent permissible under the laws and public policies applied in any jurisdiction where enforcement is sought.

5. Relief for Breaches of Confidentiality, Non-Solicitation and Non-Competition

a) INDIVIDUAL further acknowledges that an actual or threatened violation of the covenants contained in this Agreement will cause FRANCHISEE and COMPANY immediate and irreparable harm, damage and injury that cannot be fully compensated for by an award of damages or other remedies at law. Accordingly, FRANCHISEE and COMPANY shall be entitled, as a matter of right, to an injunction from any court of competent jurisdiction restraining any further violation by INDIVIDUAL of this Agreement without any requirement to show any actual damage or to post any bond or other security. Such right to an injunction shall be cumulative and in addition to, and not in limitation of, any other rights and remedies that FRANCHISEE and COMPANY may have at law or in equity.

b) In addition, in the event of a violation of the covenants contained in the Agreement, the Parties agree that damages for such violations would be difficult to quantify. Due to the difficulty in the quantification of resulting damages, the Parties agree that Company would be entitled to liquidated damages in the amount of \$85,500 per event of violation.

6. Miscellaneous

a) This Agreement constitutes the entire Agreement between the Parties with respect to the subject matter hereof. This Agreement supersedes any prior agreements, negotiations and discussions between INDIVIDUAL, COMPANY and FRANCHISEE with respect to the subject matter hereof. This Agreement cannot be altered or amended except by an agreement in writing signed by the duly authorized representatives of the Parties.

b) Except to the extent this Agreement or any particular dispute is governed by the U.S. Trademark Act of 1946 or other federal law, this Agreement shall be governed by and construed in accordance with the laws of the State of Florida (without reference to its conflict of laws principles).

References to any law refer also to any successor laws and to any published regulations for such law as in effect at the relevant time. References to a governmental agency also refer to any regulatory body that succeeds the function of such agency.

c) ANY ACTION BROUGHT BY ANY OF THE PARTIES, SHALL ONLY BE BROUGHT IN THE APPROPRIATE STATE OR FEDERAL COURT LOCATED IN OR SERVING PALM BEACH COUNTY, FLORIDA. THE PARTIES WAIVE ALL QUESTIONS OF PERSONAL JURISDICTION OR VENUE FOR THE PURPOSES OF CARRYING OUT THIS PROVISION. CLAIMS FOR INJUNCTIVE RELIEF MAY ALSO BE BROUGHT BY COMPANY OR FRANCHISEE WHERE FRANCHISEE IS LOCATED. THIS EXCLUSIVE CHOICE OF JURISDICTION AND VENUE PROVISION SHALL NOT RESTRICT THE ABILITY OF THE PARTIES TO CONFIRM OR ENFORCE JUDGMENTS OR AWARDS IN ANY APPROPRIATE JURISDICTION.

d) INDIVIDUAL agrees if any legal proceedings are brought for the enforcement of this Agreement, in addition to any other relief to which the successful or prevailing party may be entitled, the successful or prevailing party shall be entitled to recover attorneys' fees, investigative fees, administrative fees billed by such party's attorneys, court costs and all expenses, including, without limitation, all fees, taxes, costs and expenses incident to arbitration, appellate, and post-judgment proceedings incurred by the successful or prevailing party in that action or proceeding.

e) This Agreement shall be effective as of the Effective Date and shall be binding upon the successors and assigns of INDIVIDUAL and shall inure to the benefit of FRANCHISEE and COMPANY and their subsidiaries, successors and assigns.

f) The failure of any Party to insist upon performance in any one (1) or more instances upon performance of any terms and conditions of this Agreement shall not be construed a waiver of future performance of any such term, covenant or condition of this Agreement and the obligations of the other Parties with respect thereto shall continue in full force and effect.

g) The paragraph headings in this Agreement are included solely for convenience and shall not affect, or be used in connection with, the interpretation of this Agreement.

h) In the event that any part of this Agreement shall be held to be unenforceable or invalid, the remaining parts hereof shall nevertheless continue to be valid and enforceable as though the invalid portions were not a part hereof.

i) This Agreement may be modified or amended only by a written instrument duly executed by INDIVIDUAL, FRANCHISEE and COMPANY.

j) The existence of any claim or cause of action INDIVIDUAL might have against FRANCHISEE or COMPANY will not constitute a defense to the enforcement by FRANCHISEE or COMPANY of this Agreement.

k) Except as otherwise expressly provided in this Agreement, no remedy conferred upon FRANCHISEE or COMPANY pursuant to this Agreement is intended to be exclusive of any other remedy, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given pursuant to this Agreement or now or hereafter existing at law or in equity or by statute or otherwise. No single or partial exercise by any party of any right, power or remedy pursuant to this Agreement shall preclude any other or further exercise thereof.

INDIVIDUAL CERTIFIES THAT HE OR SHE HAS READ THIS AGREEMENT CAREFULLY, AND UNDERSTANDS AND ACCEPTS THE OBLIGATIONS THAT IT IMPOSES WITHOUT RESERVATION. NO PROMISES OR REPRESENTATIONS HAVE BEEN MADE TO SUCH PERSON TO INDUCE THE SIGNING OF THIS AGREEMENT.

THE PARTIES ACKNOWLEDGE THAT THE COMPANY SHALL BE ENTITLED TO ENFORCE THIS AGREEMENT WITHOUT THE COOPERATION OF THE FRANCHISEE. INDIVIDUAL AND FRANCHISEE AGREE THAT THIS AGREEMENT CANNOT BE MODIFIED OR AMENDED WITHOUT THE WRITTEN CONSENT OF THE COMPANY.

IN WITNESS WHEREOF, FRANCHISEE and COMPANY have hereunto caused this Agreement to be executed by its duly authorized officer, and INDIVIDUAL has executed this Agreement, all being done in triplicate originals with one (1) original being delivered to each Party.

WITNESS:

FRANCHISEE:

By:_____

Its:_____

WITNESS:

INDIVIDUAL:

Signature:_____

Name Printed:_____

WITNESS:

COMPANY:

By:_____

Its:_____

**EXHIBIT L –
DISCLOSURE DOCUMENT ADDENDA**

STATE SPECIFIC ADDENDA TO DISCLOSURE DOCUMENT

STATE OF CALIFORNIA

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

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT, ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT AT WWW.DBO.CA.GOV.

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE OFFERING CIRCULAR.

Section 31125 of the California Corporations Code requires us to give you a disclosure document, in a form containing the information that the Commissioner may by rule or order require, before a solicitation of a proposed material modification of an existing franchise.

Item 3 of the Disclosure Document is amended to add:

The franchisor, and the persons and franchise brokers listed in Item 2 of the Disclosure Document are not subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in that association or exchange.

Item 6 of the Disclosure Document is amended to add:

The highest interest rate allowed in California is 10% annually.

Item 10 of the Disclosure Document is amended to add:

The equipment leasing company or companies identified in Item 10 are not considered a “finance lender” as set forth in the California Finance Lenders Law. Rather, the company or companies engage in “non-loan” bona fide lease transactions for which they are authorized to do in the ordinary course of business and are not subject to the provisions of the California Finance Lenders Law.

We do not offer direct financing to you, however, if offered in the future, we will comply with all appropriate laws governing any direct financing offered by us to you including, if applicable, the California Finance Lenders Law.

Item 17 of the Disclosure Document is amended to add:

You must sign a general release if you renew or transfer your franchise. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516). Business and Professions Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043).

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

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

The franchise agreement requires application of the laws of the State of Florida. This provision may not be enforceable under California law.

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

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

~~We will comply with all appropriate laws governing any direct financing offered by us to you including, if applicable, the California Finance Lenders Law.~~

STATE OF ILLINOIS

1. Item 17 g. and h. of the Disclosure Document entitled “RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION” is amended by adding the following the following language:

The conditions under which a franchise can be terminated and rights upon non-renewal may be affected by the Illinois Franchise Disclosure Act, Sections 19 and 20.

2. Item 17(v) of the Disclosure Document entitled “CHOICE OF FORUM” and Item 17(w) of the Disclosure Document entitled “CHOICE OF LAW” ~~isare~~ amended to add the following language:

~~read as — follows:~~

“Illinois” “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 in a venue outside of Illinois.

Section 20 of the Illinois Franchise Disclosure Act provides that termination and non-renewal of a franchise agreement is governed by Illinois law.”

3. ~~Item 17(w) of the Disclosure Document entitled “CHOICE OF LAW” is amended to read as follows:~~

“Illinois Law”

4. 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.

STATE OF MARYLAND

1. Item 17 (f) of the Disclosure Document is amended by adding the following language:

“Termination upon bankruptcy of the franchisee may not be enforceable under federal bankruptcy law. (11 USC Section 101 et seq)”

2. Item 17 (m) of the Disclosure Document is amended by adding the following language:

“A general release required as a condition of renewal, sale or transfer shall not apply to liability under the Maryland Franchise Registration and Disclosure Law.”

3. Item 17 (v) of the Disclosure Document is amended by adding the following language:

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

4. Item 17 (w) of the Disclosure Document is amended by adding the following language:

“A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.”

5. The Franchisee Ratification is amended by adding the following language:

“All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel, or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.”

STATE OF MINNESOTA

1. Item 17 (f) of the Disclosure Document is amended by adding the following language:

“Minn. Stat. Sec 80C.14 Subds. 3, 4, and 5 require except in certain cases that a franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days for

non-renewal of the franchise agreement, and that consent to the transfer of the franchise will not be unreasonably withheld.”

2. Item 17 (v) of the Disclosure Document is amended in its entirety to read as follows:

“Minn. Stat. Sec 80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside of Minnesota.”

3. Trademarks. The following is added at the end of Item 13:

To the extent required by the Minnesota Franchises Act, we will protect your rights to use the trademarks, service marks, trade names, logo types, or other commercial symbols related to the trademarks or indemnify you from any loss, costs, or expenses arising out of any claim, suit, or demand regarding the use of the trademarks.

4. Minnesota Rule 2860.4400(D) prohibits us from requiring you to assent to a release, assignment, novation or waiver that would relieve any person from liability under Minnesota Statutes 80C.01 through 80C.22.

STATE OF NEW YORK

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

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT G OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 120 BROADWAY, 23RD FLOOR, NEW YORK, NEW YORK 10271. THE FRANCHISOR MAY IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT, HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

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

Except as provided above, ~~W~~with regard to the ~~Company~~franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor’s principal trademark, ~~our affiliates listed in Item 1 and the persons identified in Item 2:~~

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

~~B.C.~~ No such person or entity~~party~~ has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the ten 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, anti fraud or securities law; fraud, embezzlement, fraudulent conversion or misappropriation of property, or unfair or deceptive practices or comparable allegations.

~~C.D.~~ Except as disclosed above, no such person or entity~~party~~ is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under 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 business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

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

Except as disclosed above, neither the ~~F~~franchisor, ~~nor~~ its affiliates, its predecessors, officers, or general partner during the ten year period immediately before the date of the Disclosure Document: (a) filed as a debtor (or had filed against it) a petition to start an action under the United States Bankruptcy Code; (b) obtained a discharge of its debts under the ~~B~~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 during or within one year after ~~that individual officer or general partner of the franchisor~~ held this position in the company or partnership

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

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

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

However, to the extent required by applicable law, all rights you enjoy and any cause 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 the General Business Law Sections 687.4 and 687.5 be satisfied.

- 6. The following language replaces the “Summary” section of Item 19(d), entitled “Termination by franchisee”:

~~Item 17 (d) is amended by adding the following language:~~

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

7. The following is added to the end of the “Summary” section of Item 17–(j), entitled “Assignment of contract by franchisor” ~~is amended by adding the following language:~~

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

8. The following is added to the end of the “Summary” sections of Item 17(v), titled “Choice of forum”, and Item 17–(w), titled “Choice of Law” ~~is amended by adding the following language:~~

The forgoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.

STATE OF NORTH DAKOTA

1. Item 17 of the Disclosure Document is amended by the addition of the following language to the original language that appears therein:

The Commissioner has determined that franchise agreements which require the franchisee to sign a general release upon renewal of the franchise agreement is unfair, unjust, or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

Covenants not to compete upon termination or expiration of a franchise agreement are generally considered unenforceable in the State of North Dakota.

The Commissioner has determined that franchise agreements which provide that parties agree to the arbitration of disputes at a location that is remote from the site of the franchisee's business are unfair, unjust, or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

Section 51-19-09 of the North Dakota Franchise Investment provides that a provision in a franchise agreement that requires jurisdiction or venue shall be in a forum outside of North Dakota is void with respect to any cause of action which is otherwise enforceable in North Dakota.

2. Item 17(w) of the Disclosure Document entitled "CHOICE OF LAW" is amended to read as follows: "North Dakota Law"

STATE OF RHODE ISLAND

In recognition of the requirements of the State of Rhode Island Franchise Investment Act §19-28.1 et seq., the Franchise Disclosure Document for EmbroidMe.com, Inc. d/b/a Fully Promoted, for use in the State of Rhode Island, is amended as follows:

1. Item 17 (u) shall be amended to add: §19-28.1-21 (a) A person who violates any provision of this act is liable to the franchisee for damages, costs, and attorneys and experts fees. In the case of a violation of §§19-28.1-5, 19-28.1-8, or 19-28.1-17(1)-(5), the franchisee may also sue for rescission. No person shall be liable under this section if the defendant proves that the plaintiff knew the facts concerning the violation. (b) Every person who directly or indirectly controls a person liable under this section, every principal executive officer or director of the liable person, every person occupying a similar status or performing similar functions, and every agent or employee of a liable person, who materially aids in the act or transaction constituting the violation, is also liable jointly and severally with and to the same extent as the person liable under this section, unless the agent, employee, officer, or director proves he or she did not know, and in the exercise of reasonable care could not have known of the existence of the fact by reason of which the liability is alleged to exist.
2. Items 17 (v) and (w) shall be amended to add: §19-28.1-14 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.

STATE OF WASHINGTON

The second paragraph of the Cover Page of this Disclosure Document is amended to read as follows:

The total investment necessary to begin operation of a Fully Promoted store is from ~~\$92,499~~\$92,776 to \$237,885. These amounts include \$153,395 that must be paid to the franchisor, and \$2,500 that must be paid to the franchisor's affiliate. These amounts do not include any amounts for rent or security deposits for the store premises.

The following note is added below the table in Item 7 of this Disclosure Document:

(*Note: The amount of your estimated initial investment listed above does not include any amounts for rent or security deposits for the store premises for the initial months of the operation of your business.)

The State of Washington has a Statute, RCW 19.1000.180 which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration involving a franchise purchased in Washington, the arbitration site shall be either in the State of Washington, or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator.

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall prevail.

A release or waiver of rights executed by a franchisee shall not include rights under the Washington Franchise Investment Protection Act except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, rights or remedies under the Act such as a right to a jury trial may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

Item 17(d) of the franchise disclosure document, titled “**Termination by franchisee**” is replaced with:

A franchisee may terminate the franchise agreement under any grounds permitted by law.

**EXHIBIT M –
DISCLOSURE DOCUMENT RECEIPT**

RECEIPT

This Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If **EMBROIDME.COM, INC.** d/b/a Fully Promoted™ offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale or sooner if required by applicable state law.

New York and Rhode Island Laws require that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

Michigan and Oregon require that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If EMBROIDME.COM, INC. does not deliver this disclosure document on time, or if it contains a false or misleading statement, or material omission, a violation of federal and state Law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580, or to your state agency listed in Exhibit G.

The Franchisor is EmbroidMe.com, Inc. d/b/a Fully Promoted, located at 2121 Vista Parkway, West Palm Beach, FL 33411. Its telephone number is (561) 640-5570.

Issuance Date: ~~March 24, 2016, as amended June 27, 2016 and January 16, 2017~~ March 16, 2017

Franchise Seller: Joseph Loch, President, and/or the Sales Agent(s) listed below, EMBROIDME.COM, INC., 2121 Vista Parkway, West Palm Beach, FL 33411, (561) 640-5570.

EMBROIDME.COM, INC. authorizes the respective state agencies identified in Exhibit G to receive service of process for it in the particular state.

I received a Disclosure Document issued ~~March 24, 2016, as amended June 27, 2016 and January 16, 2017~~ March 16, 2017 (see State Applicable Effective Dates page located after the State Cover Page in this disclosure document) that included the following Exhibits:

- | | |
|---|--|
| A. Franchise Agreement w/applicable Addenda | G. Agents for Service of Process |
| B. VFS Equipment Lease | H. Termination and General Release Agreement |
| C. Deposit Receipt | I. List of Terminated, Cancelled or not Renewed Franchisees |
| D. Financial Statements | J. Compliance Certification |
| E. List of Current Franchisees | K. Nondisclosure and Non-Competition Agreement |
| F. Table of Contents for Operating Manual | L. Disclosure Document Addenda |
| | M. Disclosure Document Receipt |

DATE: _____
(Do not leave blank)

PRINTED Sales Agent Name(s)

Prospective Franchisee **SIGNATURE**

»

Prospective Franchisee **PRINTED NAME**

Prospective Franchisee **SIGNATURE**

»

Prospective Franchisee **PRINTED NAME**

(If Applicable) Corporation/Company Name

By: _____
Authorized **Corporate Officer Signature**

»

_____/_____
Corporate Officer Printed Name Title

RECEIPT

This Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If **EMBROIDME.COM, INC.** d/b/a Fully Promoted™ offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale or sooner if required by applicable state law.

New York and Rhode Island Laws require that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

Michigan and Oregon require that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If EMBROIDME.COM, INC. does not deliver this disclosure document on time, or if it contains a false or misleading statement, or material omission, a violation of federal and state Law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580, or to your state agency listed in Exhibit G.

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| F. Table of Contents for Operating Manual | L. Disclosure Document Addenda |
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DATE: _____
(Do not leave blank)

PRINTED Sales Agent Name(s)

Prospective Franchisee **SIGNATURE**

»

Prospective Franchisee **PRINTED NAME**

Prospective Franchisee **SIGNATURE**

»

Prospective Franchisee **PRINTED NAME**

(If Applicable) Corporation/Company Name

By: _____
Authorized **Corporate Officer Signature**

»

_____/_____
Corporate Officer Printed Name Title

