



FRANCHISE DISCLOSURE DOCUMENT

TAB Boards International, Inc.
a Colorado corporation
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TAB Boards International, Inc. offers franchises for the operation of a business that uses licensed methods (the “**Licensed Methods**”) under certain trademarks to (1) form advisory boards (“**TAB Boards**”) of business leaders (“**TAB Members**”), (2) facilitate monthly meetings of TAB Boards (“**TAB Board Meetings**”), and (3) provide business coaching sessions (collectively, a “**TAB Business**”). TAB Members participate in TAB Board Meetings and/or receive business coaching. TAB Business franchisees also may generate revenue through (1) tools and programs we introduce, develop or promote, and (2) providing ancillary business services to TAB Members (collectively, “**Additional Revenue from the TAB Opportunity**”). We collectively refer to the TAB Business and the opportunity to earn Additional Revenue from the TAB Opportunity as the “**Total TAB Opportunity**.”

There are three different franchise models you may select from. The first franchise model is the “major metropolitan area” TAB Business franchise (the “**MM TAB Business Franchise**”). The total investment necessary to begin operation of an MM TAB Business Franchise ranges from \$75,198.00 to \$87,673.00. This includes between \$66,298.00 and \$66,548.00 that must be paid to the franchisor. The second franchise model is the “non-major metropolitan area” TAB Business franchise (the “**NMM TAB Business Franchise**”). The total investment necessary to begin operation of an NMM TAB Business Franchise ranges from \$60,698.00 to \$73,173.00. This includes between \$51,798.00 and \$52,048.00 that must be paid to the franchisor. The third franchise model is the “optional franchise fee” TAB Business franchise (the “**Optional Franchise Fee TAB Business Franchise**”). The total investment necessary to begin operation of an Optional Franchise Fee TAB Business Franchise ranges from \$40,648.00 to \$53,223.00. This includes between \$31,748.00 and \$32,098.00 that must be paid to the franchisor.

This Franchise Disclosure Document summarizes certain provisions of your franchise agreement and other information in plain English. Read this Franchise Disclosure Document and all accompanying agreements carefully. You must receive this Franchise Disclosure Document at least fourteen (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. **Note, however, that no governmental agency has verified the information contained in this document.**

You may wish to receive your Franchise Disclosure Document in another format that is more convenient for you. To discuss the availability of a Franchise Disclosure Document in different formats, contact Susan Rhoads, TAB Boards International, Inc., 11031 Sheridan Boulevard, Westminster, Colorado 80020 (303) 839-1200.

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

Buying a franchise is a complex investment. The information in this Franchise 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 Franchise Disclosure Document, is available from the Federal Trade Commission. You can contact the FTC at (877) FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, D.C. 20580. You can also visit the FTC’s home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

Issuance Date of this Franchise Disclosure Document: March 18, 2016.

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 FRANCHISE DISCLOSURE DOCUMENT.

Call the state franchise administrator listed in Exhibit A for information about the franchisor, about other franchisors, 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 FRANCHISE. 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 MEDIATION AND ARBITRATION AND CERTAIN OTHER DISPUTES BY LITIGATION ONLY IN COLORADO OR THE STATE OF OUR PRINCIPAL PLACE OF BUSINESS AT THE TIME. OUT-OF-STATE MEDIATION, ARBITRATION AND LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO MEDIATE, ARBITRATE OR LITIGATE WITH US IN COLORADO THAN IN YOUR OWN STATE.

2. THE FRANCHISE AGREEMENT STATES THAT COLORADO LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTION AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.

3. YOUR SPOUSE MAY BE REQUIRED TO SIGN THE GUARANTY AND ASSUMPTION OF FRANCHISEE OBLIGATIONS MAKING SUCH SPOUSE JOINTLY AND SEVERALLY LIABLE FOR THE OBLIGATIONS UNDER THE FRANCHISE AGREEMENT, WHICH MAY PLACE THE SPOUSE'S PERSONAL ASSETS AND MARITAL ASSETS AT RISK.

4. THE FRANCHISE AGREEMENT REQUIRES THAT YOU ALLOW US TO SEEK INJUNCTIVE RELIEF WITHOUT POSTING BOND, AGREE THAT YOUR SOLE REMEDY WILL BE THE DISSOLUTION OF SUCH INJUNCTIVE RELIEF, AND WAIVE ALL CLAIMS FOR DAMAGES BY REASON OF THE WRONGFUL ISSUANCE OF SUCH INJUNCTIVE RELIEF.

5. YOU MUST MAINTAIN MINIMUM SALES PERFORMANCE LEVELS. IF YOU FAIL TO MEET THESE MINIMUM SALES PERFORMANCE LEVELS, YOU MAY LOSE YOUR EXCLUSIVE PROTECTED TERRITORY.

6. 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. The effective dates of this Franchise Disclosure Document in the states with franchise registration laws in which we have sought registration or exemption appear below.

TAB BOARDS INTERNATIONAL, INC.
STATE REGISTRATIONS

This Franchise Disclosure Document is registered, on file, exempt from registration, or otherwise effective in the following states with franchise registration and/or disclosure laws:

California	Effective date:
Florida	Effective date:
Hawaii	Effective date:
Illinois	Effective date:
Indiana	Effective date:
Maryland	Effective date:
Michigan	Effective date:
Minnesota	Effective date:
New York	Effective date:
North Dakota	Effective date:
Rhode Island	Effective date:
South Dakota	Effective date:
Utah	Effective date:
Virginia	Effective date:
Washington	Effective date:
Wisconsin	Effective date: March 23, 2016.

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ITEM 1

THE FRANCHISOR AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

To simplify the language in this Franchise Disclosure Document “**TAB**,” “**us**,” “**our**” or “**we**” means TAB Boards International, Inc., the franchisor. “**You**,” “**your**” or “**Franchisee**” means the person, corporation, limited liability company or partnership who buys the franchise. If the franchisee will be a corporation, limited liability company or partnership, “**you**,” “**your**” and “**Franchisee**” will also mean the owners, shareholders, members and/or partners of the corporation, limited liability company or partnership and any Managing Party (as defined in Item 15).

The Franchisor and Any Parents, Predecessors, and Affiliates and Their Prior Experience

TAB is a Colorado corporation formed on January 2, 1996, under the name “IHTAB, Inc.” We changed our name to “TAB Boards International, Inc.” on April 4, 2002. We conduct business under our corporate name and certain trademarks (see Item 13). Our principal business address is 11031 Sheridan Boulevard, Westminster, Colorado 80020.

We began offering franchises in January, 1996. Since our inception, we have conducted and will continue to conduct TAB Businesses similar to the TAB Business you will operate through employees and independent contract facilitators (“**Independent Facilitator Coaches**”). Our Independent Facilitator Coaches (who are not TAB employees) facilitate TAB Boards under independent facilitator coach agreements, some of which were assigned to us by Direct Communication Service, Inc. (“**DCS**”), our predecessor. We also sometimes offer area developer franchises under a separate Franchise Disclosure Document to provide franchise development services for TAB Business franchises and franchise support services to TAB Business franchisees. We do not offer franchises in any other line of business, but we may do so in the future.

Our registered agent for service of process in Colorado is Jason P. Zickerman and our address for service of process in Colorado is 11031 Sheridan Boulevard, Westminster, Colorado 80020. Our agents for service of process for other states are listed in Exhibit A.

We have no parent companies. We have five affiliates, two of which provide products and services to us or our franchisees. Our affiliate and wholly owned subsidiary, IHTAB–Canada, Ltd., is an Alberta, Canada corporation that began operating in 1998. In August, 2004, IHTAB–Canada, Ltd. changed its name to TAB Boards International (Canada), Inc. On January 20, 2006, TAB Boards International (Canada), Inc. was registered in Nova Scotia through an amalgamation and the business is now being conducted under the name TAB Boards International (Canada) Corporation (“**TBIC**”). TBIC’s principal business address is Building 2 Whitemud Business Park, 309 9622 42 Ave., Edmonton, Alberta, Canada T6E 5Y4. TBIC may spend funds on marketing for prospective franchisees in Canada, but all franchise sales are conducted through us. TBIC may provide marketing support services to franchisees in the USA. TBIC has never operated TAB Businesses nor has it marketed franchises in any other line of business.

Our affiliate Allen Fishman Business Consultants, Inc. (“**AFBC**”) is a Missouri corporation formed on June 18, 1990. AFBC was incorporated under the name F.R.D., Inc. before changing its name to AFBC. In January, 2014, AFBC changed its name to Fishman Business Consultants, Inc. (“**FBC**”). FBC has the same principal business address as us. FBC formerly operated TAB Businesses as a franchisee in the St. Louis, Missouri metropolitan area and the Boulder, Colorado area, and may operate a TAB Business in the future. FBC also creates and tests new methods for us on marketing for TAB Members and facilitating TAB Boards. FBC permits us to incorporate these new methods into the

Licensed Methods. FBC does not offer franchises in this or any other line of business, but FBC engages in other businesses.

Our affiliate and predecessor DCS is a Missouri corporation that began operating TAB Boards in 1990. DCS was incorporated under the name “Infinite Horizons, Inc.” on May 23, 1990, and changed its name to “Direct Communication Service, Inc.” in January, 1990. DCS has the same principal business address as us. DCS conducts business under the service marks “INFINITE HORIZONS®” and “INFINITE HORIZONS® INSTITUTE.” We acquired the TAB system and TAB trademarks from DCS in 1997, and the SBL system and SBL trademarks from DCS in 2005. From 1990 until May 1, 1996, DCS developed, researched, tested and modified the TAB system, and formed and operated TAB Boards similar to the TAB Boards that you will conduct. We started to use the SBL system services and products in 2000. DCS does not offer franchises in this or any other line of business.

Our affiliate Allen Training Centers, Inc. (“ATC”) is a Colorado corporation incorporated on November 24, 2015. ATC has the same principal business address as us. We anticipate that ATC will offer training in business management methods in the future, but ATC does not currently have any ongoing business operations. ATC does not offer franchises in this or any other line of business, but may do so in the future.

Our affiliate StratPro, Inc. (“StratPro”) is a Colorado corporation incorporated on November 24, 2015. StratPro has the same principal business address as us. We anticipate that StratPro will offer training in a strategic business planning process in the future, but StratPro does not currently have any ongoing business operations. StratPro does not offer franchises in this or any other line of business, but may do so in the future.

The Franchise

We offer franchises for the operation of TAB Businesses that form TAB Boards of TAB Members, facilitate TAB Board Meetings and provide business coaching (which may include SBL coaching) under the Trademarks and using the Licensed Methods. TAB Members pay a fee to franchisees to assess their businesses (the “**Business Assessment Fee**”) and a recurring monthly amount to attend TAB Board Meetings (the “**Membership Dues**”). You will derive revenue from these activities (the “**Gross Revenue**”). Franchisees also have the opportunity to earn additional revenue from the TAB Opportunity from TAB Members (“**Additional Revenue**”); such Additional Revenue is part of the Gross Revenue. TAB Members may also purchase books, audiotapes, videotapes, CD-ROMs, Web-based assessments, newsletters, etc. that we or our affiliates develop from time to time (“**Supplemental Products and Services**”) from you, at fees or prices you determine (see Item 16). We offer three types of franchises for the operation of TAB Businesses. Under the MM TAB Business Franchise and NMM TAB Business Franchise, you will pay us an initial franchise fee (the “**Initial Franchise Fee**”) (see Item 5) and a percentage-based royalty fee of your Gross Revenue (the “**Royalty Fee**”) (see Item 6). Under the Optional Franchise Fee TAB Business Franchise, instead of an Initial Franchise Fee, you will pay us a lower option fee (the “**Option Fee**”) (see Item 5) and a higher percentage of your Gross Revenue (see Item 6). You may elect to convert from an Optional Franchise Fee TAB Business Franchise to an MM TAB Business Franchise at any time after your TAB Business generates at least \$50,000.00 in Gross Revenue from the Total TAB Opportunity. You will pay the difference between the Option Fee paid and our then-current Initial Franchise Fee charged at the time you elect to convert (the “**Conversion Fee**”). The NMM TAB Business Franchise is only available in certain territories that we believe do not contain enough total businesses to meet our requirements for an MM TAB Business Franchise, and is only offered in those territories in our discretion.

We refer to the TAB trademarks and SBL trademarks as the “**Trademarks**” (see Item 13). The Licensed Methods are composed of the TAB system, SBL system, our copyrighted materials, confidential information and trade secrets, confidential operations manual (the “**Operations Manual**”), SBL program and TAB Business Vantage[®] tool, and any other part of our proprietary information (see Item 14). We reserve the right to change the Trademarks and Licensed Methods at any time in our discretion.

TAB Boards are an alternative to a formal board of directors. You or a contract facilitator (a “**Facilitator**”) that has satisfactorily completed our training (see Item 15) will promote, form, organize and facilitate TAB Boards. During the monthly TAB Board Meeting, TAB Members and the Facilitator provide other TAB Members with advice on their challenges and opportunities. Facilitators also conduct business coaching, which may include SBL coaching, with the TAB Members. Facilitators may also provide tools we promote or develop to TAB Members and provide ancillary business services to TAB Members and non-TAB Members.

You will operate a TAB Business per a franchise agreement (the “**Franchise Agreement**”), attached to this Franchise Disclosure Document as Exhibit B, and in accordance with our Operations Manual, Licensed Methods and standards. You will be granted an exclusive specific contiguous geographic area having a determined number of total businesses based on current lists we select and obtain from one or more outside vendors for your TAB Business (the “**Protected Territory**”) (see Item 12). In certain limited circumstances in major metropolitan areas, we may not grant a Protected Territory.

Other TAB franchisees may operate under different forms of agreements and our obligations and rights with respect to our other franchisees may differ materially in certain circumstances, including marketing requirements. In particular, those who we have previously engaged as an Independent Facilitator Coach may operate under different terms and/or forms of agreements.

We may pay a referral fee to you, your Facilitators or TAB Members if a prospect that purchases a TAB Business franchise is referred to us. Referring parties are not permitted to participate in any sales activity or promotional efforts in order to refer prospects. The referral program may not be available in all states. We have the right to discontinue the referral program at any time.

Market for Services of Your TAB Business

The market for your TAB Business includes business owners of companies that have offices in your Protected Territory.

Competition

You will compete with peer group membership organizations and other business coaches, executive trainers and consultants who offer competitive services and products, including other franchise companies providing similar products and services.

Regulation

There may be regulations specific to the operation of a TAB Business in your state or in your Protected Territory. You should familiarize yourself with these regulations and all federal, state or local laws of a more general nature which may affect the operation of your TAB Business and businesses generally. You must comply with employment, workers’ compensation, telemarketing, faxing, Internet communications, insurance, corporate, tax, licensing, copyright and similar laws and regulations.

By executing the Franchise Agreement, you promise that you have familiarized yourself with the current laws and licensing requirements that govern the operation of a TAB Business in your Protected Territory, and that you agree to comply with any such current or future laws and licensing requirements before the opening of and during the operation of your TAB Business.

ITEM 2

BUSINESS EXPERIENCE

Executive Chairman of the Board of Directors: Allen E. Fishman

Mr. Fishman has been our Chairman of the Board of Directors since January, 1996. He was also our Chief Executive Officer until November, 2008. He is currently the Chief Executive Officer and a Director of FBC, the President and Chairman of the Board of Directors of DCS, the Executive Chairman of ATC, and the Executive Chairman of StratPro, all in Westminster, Colorado. He has been a Director of Sun Development Company (“Sun”) in Westminster, Colorado, a family-owned Missouri corporation that manages real estate properties owned by Sun or owned by members of the Fishman family, since Sun’s formation in 1985.

President, Chief Executive Officer and Director: Jason P. Zickerman

Mr. Zickerman joined TAB in May, 2001, as our Executive Vice President and Chief Operating Officer, and became a Director in April, 2002. He has been the President of Sun since April, 2002, in Westminster, Colorado. He has been the Vice President of DCS and FBC since April, 2002, in Westminster, Colorado. He became our President and Chief Operating Officer in January, 2004, and remained our Chief Operating Officer until November, 2008, when he became our Chief Executive Officer.

Vice President: David Scarola

Mr. Scarola has been our Vice President since April, 2012. He served as our Vice President of Information Technology from October, 2008, through April, 2012. He was the Chief Information Officer for ResortQuest International, Inc. from August, 2005, until May, 2008, in Denver, Colorado.

Vice President of International Development: Michele Fishman

Ms. Fishman has been our Vice President of International Development since May, 2011. She was a Professor of Development History at Front Range Community College from August, 2004, to May, 2011, in Boulder, Colorado.

Chief Financial Officer: Raymond S. Goshorn

Mr. Goshorn has been our Chief Financial Officer since January, 2013. He joined us in March, 2009, as our Director of Finance. He served as Controller for The Quiznos Master, LLC from 2005 to 2008 in Denver, Colorado.

Chief Innovation Officer: Jeffrey Polino

Mr. Polino has been our Chief Innovation Officer since February, 2013. He joined us in November, 2005, as our Membership Developer, and became our Vice President of Global Membership Development in April, 2008, and our Director of Franchise Acquisition in July, 2010.

Director of Training: Dana Besbris

Ms. Besbris has been our Director of Training since September, 2013. She joined us in November, 2006, as our Executive Assistant and became our Training Coordinator in July, 2011.

Director of Sales: Gregory Walker

Mr. Walker has been our Director of Sales since August, 2013. He has been the President of PCS Systems, Inc. since April, 1999, in Aurora, Colorado.

Director of Membership Acquisition: Phillip H. Schwolert

Mr. Schwolert has been our Director of Membership Acquisition since August, 2015. He was our Field Support Trainer from April, 2014, to July, 2015. He served as President of Flame Communications, LLC from June, 2004, to March, 2014, in Fort Collins, Colorado.

Franchise Acquisition Specialist: Jeffrey P. Krueger

Mr. Krueger has been our Franchise Acquisition Specialist since July, 2015. He was our Field Support Trainer from February, 2014, to June, 2015. He was Director of Nutrition for SlimGenics, LLC from November, 2011, to January, 2014, in Denver, Colorado, and Dietician Manager at Mountain Trek Fitness Retreats and Health Spa, Ltd. from September, 2000, to October, 2011, in Ainsworth Hot Springs, BC, Canada.

Chief Marketing Officer: Jodie Shaw

Ms. Shaw has been our Chief Marketing Officer since June, 2015. She was the Chief Marketing Officer from June, 2013, to May, 2015, and the President from November, 2013, to May, 2015, of Rapport Leadership International, LLC in Las Vegas, Nevada. She was the Chief Marketing Officer from January, 2005, to June, 2013, and the Chief Executive Officer from August, 2009, to June, 2013, for ActionCoach North America LLC in Las Vegas, Nevada.

Transition Specialist: Kirk A. Johnson

Mr. Johnson has been our Transition Specialist since July, 2015. He was a Staff Officer from January, 1998, to April, 2015, for the United States Army at Schofield Barracks, Hawaii.

General Counsel: Seamus M. Ryan

Mr. Ryan has been our General Counsel since November, 2015. He was an attorney in private practice from May, 2004, to December, 2009, and from October, 2011 to October, 2015, in Chicago, Illinois. He was the General Counsel of Corvus Holdings, LLC from February, 2011, to September, 2011, in Chicago, Illinois. He was the General Counsel of Moran Industries, Inc. from January, 2010, to January, 2011, in Midlothian, Illinois.

Area Developer: Spencer Deane

Mr. Deane has been a Partner with Nelson Business Enterprises, Inc., a company owned by our Area Developer, since July, 2011, in Skippack, New York. He was the Vice President of Marketing for SCA Packaging, Ltd. from December, 1988, to January, 2011, in Darlington, United Kingdom.

Area Developer: Robert Fishman

Mr. Fishman has been a Partner with Legend Development Services, Inc., a company owned by our Area Developer, since January, 2008, in Hauppauge, New York. He is of no relation to Allen Fishman or Michele Fishman.

Area Developer: Richard Foltz

Mr. Foltz has been a Partner with Nelson Business Enterprises, Inc., a company owned by our Area Developer, since June, 2012, in Skippack, New York. He was the Vice President for International Business Development for Novo Foam Products for Novo Foam Products, LLC from April, 2009, to May, 2012, in Shanghai, China.

Area Developer: Jacquelyn Gernaey

Ms. Gernaey has been the Chief Executive Officer of Business Franchise Success, LLC, our Area Developer, since November, 2012, in Port Jefferson, New York. She has been the owner and Chief Executive Officer of both Crescent Belle, Inc. and Effective Business Results, LLC since 1992 in Port Jefferson, New York.

Area Developer: Robert Marro

Mr. Marro has been the Manager of United Business Saving Systems LLC, our Area Developer since July, 2011, in Denver, Colorado. He has been the President of United Business Saving Systems LLC since June, 2010, in Denver, Colorado.

Area Developer: Bernard Moscovitz

Mr. Moscovitz has been our Area Developer since August, 2011, in Beaufort, South Carolina. He has been the Chairman and Chief Executive Officer of Editions Beaux Arts, Inc. since April, 2000, in Beaufort, South Carolina.

Area Developer: Brian Nelson

Mr. Nelson has been the President of Nelson Business Enterprises, Inc., our Area Developer since July, 2011, in Skippack, New York. He has been the Managing Partner of Nelson Business Enterprises, Inc. since November, 2008, in Skippack, New York.

Area Developer: Jean Nelson

Ms. Nelson has been a Partner with Nelson Business Enterprises, Inc., a company owned by our Area Developer, since November, 2008, in Skippack, New York.

Area Developer: Jeffrey Raynor

Mr. Raynor has been the Manager of ABADMA LLC, our Area Developer since August, 2011, in Charlotte, North Carolina. He has been the President of Pinnacle Insights, Inc. since August, 1999, in Charlotte, North Carolina.

Area Developer: Joseph Zente

Mr. Zente has been the Managing Partner of Z3 Freedom Enterprises, LLC, our Area Developer since August, 2011, in Austin, Texas. He has been the Managing Partner of Advisor Boards of Austin, LLC since 2005, in Austin, Texas. He has been the President and Chief Executive Officer of Z3 Performance Development, Inc. since 2001, in Austin, Texas.

ITEM 3

LITIGATION

No litigation is required to be disclosed in this Item 3.

ITEM 4

BANKRUPTCY

No bankruptcies are required to be disclosed in this Item 4.

ITEM 5

INITIAL FEES

We offer three franchise models. When you sign a Franchise Agreement for an MM TAB Business Franchise or an NMM TAB Business Franchise, you must pay us the Initial Franchise Fee, the initial training fee (the “**Initial Training Fee**”) and the marketing fee (the “**Marketing Fee**”). When you sign a Franchise Agreement and the TAB Boards International, Inc. Optional Franchise Fee Addendum (Exhibit M), you must pay us the Option Fee, the Initial Training Fee and the Marketing Fee.

Initial Franchise Fee

The uniform Initial Franchise Fee for an MM TAB Business Franchise is \$44,000.00 for the right to operate an MM TAB Business Franchise. The uniform Initial Franchise Fee for an NMM TAB Business Franchise is \$29,500.00 for the right to operate an NMM TAB Business Franchise. We participate in the VetFran program. Veterans of the United States armed services will receive a 10% discount on the Initial Franchise Fee. You will pay the non-refundable Initial Franchise Fee at the time you sign the Franchise Agreement.

Option Fee

The uniform Option Fee for the Optional Franchise Fee TAB Business Franchise is \$9,450.00 for the right to operate an Optional Franchise Fee TAB Business Franchise. We participate in the VetFran program. Veterans of the United States armed services will receive a 10% discount on the Option Fee. You will pay the non-refundable Option Fee at the time you sign the Franchise Agreement and the TAB Boards International, Inc. Optional Franchise Fee Addendum.

If you purchase an Optional Franchise Fee TAB Business Franchise, and elect to convert to an MM TAB Business Franchise, you will pay the Conversion Fee. You may elect to convert from an Optional Franchise Fee TAB Business Franchise to an MM TAB Business Franchise or NMM TAB Business Franchise at any time after your Optional Franchise Fee TAB Business Franchise generates \$50,000.00 in Gross Revenue from the TAB Opportunity. The Conversion Fee will be the amount of the

then-current initial franchise fee charged for an MM TAB Business Franchise or NMM TAB Business Franchise (as applicable) less the Option Fee.

Initial Training Fee

You must pay the non-refundable Initial Training Fee of \$19,500.00 for our initial training program (the “**Initial Training Program**”). Our Initial Training Program includes an up to eight day training program at our headquarters (the “**HQ Training Program**”), up to eight days of field support training in your Protected Territory, up to two days of advanced business development training at our headquarters, weekly new franchisee business coaching for six months, and on-line training.

Marketing Fee

You must pay the non-refundable Marketing Fee of \$2,188.00. The Marketing Fee includes the following marketing support: (1) a marketing list for your Protected Territory, (2) uploading the marketing list to your CRM System account, de-duping information and creating a Mass Marketing Campaign (as defined below) target list, (3) acquiring e-mails for your marketing list when available, (4) sending up to three e-mail blasts per e-mail account acquired that meet our Mass Marketing Campaign target list, (5) an initial set of confirmation promotional gifts, and (6) if you do not already have a TAB CRM System or a TAB Satellite Website, obtaining a URL for use in your TAB Business, setting up your satellite website and providing you with access to the CRM System.

ITEM 6

OTHER FEES

(1) Type of Fee¹	(2) Amount	(3) Date Due	(4) Remarks
Royalty Fee for MM TAB Business Franchise or NMM TAB Business Franchise	20% of the annual Gross Revenue from the TAB Opportunity (defined below in Note 2) from \$1.00 to \$125,000.00, and 10% of the annual Gross Revenue from the TAB Opportunity from \$125,001.00 and greater.	Monthly by the tenth business day following the end of each month.	The Gross Revenue from the TAB Opportunity calculation is re-set each calendar year. As an Optional Franchise Fee TAB Business Franchise owner, you will not pay this Royalty Fee unless you convert to an MM TAB Business Franchise or an NMM TAB Business Franchise. If you convert, you will not pay the Royalty Fee for Optional Franchise Fee TAB Businesses.
Royalty Fee for Optional Franchise Fee TAB Business	50% of the annual Gross Revenue from the TAB Opportunity from \$1.00 to \$100,000.00, 40% of the annual Gross	Monthly by the tenth business day following the end of each month.	The Gross Revenue from the TAB Opportunity calculation is re-set each calendar year. As an MM TAB

(1) Type of Fee ¹	(2) Amount	(3) Date Due	(4) Remarks
	Revenue from the TAB Opportunity from \$100,001.00 to \$200,000.00, and 35% of the annual Gross Revenue from the TAB Opportunity from \$200,001.00 and greater.		Business Franchise owner or an NMM TAB Business Franchise owner, you will not pay this Royalty Fee.
Conversion Fee	If you elect to convert from an Optional Franchise Fee TAB Business Franchise owner to an MM TAB Business Franchise owner or an NMM TAB Business Franchise owner, the difference between the Option Fee and the then-current Initial Franchise Fee.	At the time you elect to convert.	You may not convert until you have generated \$50,000.00 in Gross Revenue from the TAB Opportunity. You will be required to sign TAB's then-current Conversion Addendum.
Minimum Royalty Fee	Beginning on the tenth month from the commencement of your business operations (" Start of Business Operations "), you will pay the greater of the Royalty Fee based on the type of TAB Business Franchise you purchase or the Minimum Royalty Fee (as defined below). The Minimum Royalty Fee is (1) from months 10 through 13, \$450.00, (2) from months 14 through 18, \$900.00, (3) from months 19 through 24, \$1,350.00, and (4) from month 25 through the Term, \$1,800.00 for an MM TAB Business Franchise or Optional Franchise Fee TAB Business, or \$1,500.00 for an NMM TAB	Monthly by the tenth business day following the end of each month.	If you are a transferee or are already a Facilitator, you will begin paying the \$1,800.00 Minimum Royalty Fee for an MM TAB Business Franchise or Optional Franchise Fee TAB Business, or the \$1,500.00 Minimum Royalty Fee for an NMM TAB Business Franchise, beginning the first day of the first month of your Start of Business Operations.

(1) Type of Fee ¹	(2) Amount	(3) Date Due	(4) Remarks
	Business Franchise (the “ Minimum Royalty Fee ”).		
Member Administration and Support Fee ³	\$10.00 for each of your TAB Members.	Monthly by the tenth business day following the end of each month.	Beginning on the first day of the month of your Start of Business Operations or as of the date you sign the Franchise Agreement if you are a transferee or are already a Facilitator.
Marketing Development Fee (as defined below)	For the first twelve months from your Start of Business Operations, 2% of your Gross Received Revenue (as defined herein). Beginning on the thirteenth month from your Start of Business Operations, the greater of (1) \$200.00, or (2) 2% of your Gross Received Revenue for the previous month.	Monthly by the tenth business day following the end of each month.	“ Gross Received Revenue ” means all Membership Dues and Business Assessment Fees received by you or us.
Technology Fee (as defined below)	The then-current fee. The current fee is \$120.00 per month.	Monthly.	The Technology Fee is for the use of the CRM System and Satellite Website. The Technology Fee may change upon prior notice to you if the software vendor changes the license fee, we change vendors or we change functionality. You will be required to use the CRM System at least a full calendar year beginning in January. After the first full calendar year, you may cancel the CRM System license.

(1) Type of Fee¹	(2) Amount	(3) Date Due	(4) Remarks
Portion of the Business Assessment Fee	The greater of (1) \$100.00, or (2) 20% of the activation fee charged to new TAB Members.	At the time the new TAB Member application is submitted.	You will not pay an additional Royalty Fee or Minimum Royalty Fee on the Business Assessment Fee.
International Conference Facilitator Registration Fee ⁴	The then-current international conference Facilitator registration fee. The current fee is \$1,800.00.	Annually, in the month the fees become due, which is currently in July or August of each year.	You will be required to pay the international conference Facilitator registration fee even if you do not attend the international conference.
Updating Marketing List	The then-current cost to purchase a new marketing list. The current cost is \$0.20 per record.	Upon your receipt of our invoice.	You will be required to update your marketing list each year.
Confirmation Promotional Gift	The then-current rate. The current fee is \$4.00 each plus shipping.	Upon your receipt of our invoice.	You will be provided with confirmation promotional gifts for use during your required Marketing Event as part of your Marketing Fee. We may change the confirmation promotional gift at any time.
LinkedIn Prospecting Service Fee	The then-current rate if you use our third party vendor to provide the LinkedIn prospecting service. The current rate is \$47.99 per month.	As agreed.	You will be required to engage in LinkedIn prospecting activities. The LinkedIn prospecting service fee may change upon prior notice to you if the vendor changes the fee, we change vendors or we change functionality.
Field Support Trainer (“FST”) Travel and Living Expenses	Travel, accommodation and living expenses incurred while providing field support training services.	Upon your receipt of our invoice.	FST travel and living expenses are estimated between \$1,200.00 and \$2,000.00 per four day period. However, the cost may be more or less depending upon the expenses for airfare, food and accommodations in your Protected Territory.

(1) Type of Fee ¹	(2) Amount	(3) Date Due	(4) Remarks
			You will pay certain FST travel and living expenses directly to airlines, restaurants and hotel providers.
Additional Marketing Support Fee	The then-current fee, depending on the type of support you request.	Upon your receipt of our invoice.	You and we will agree on the cost of any Additional Marketing support that you request our marketing or sales department to provide (see Item 11).
FST Fee for Additional Field Support Training Services	The then-current FST service fee. The current service fee is between \$1,200.00 and \$2,000.00 for four days of FST services.	Upon your receipt of our invoice.	You will not pay an FST service fee for field support training provided to you as part of the Initial Training Program.
Advanced Coaching Program	The then-current rate. The current rate is \$2,500.00.	Per invoice.	We offer a voluntary, six-month advanced coaching program that you may elect to complete.
TAB Promotional Materials	Will vary based on our then-current published price list.	When you place your purchase order. We may deduct the cost from Amounts Collected on Your Behalf (defined below in Note 1).	
Business Franchisee Coaching Service Fees and Expenses	The then-current fee. You will pay this fee if you desire to continue to meet with your business coach or if you fail to meet your Minimum Royalty Fee and we require you to meet with a business coach. The current fee is \$200.00 per month.	As agreed.	
Interest	The lesser of 18% per annum or the highest rate of interest allowed by law.	As incurred.	Begins to accrue from date of nonpayment or underpayment.
Facilitator Training Fee (as defined below) and Expenses	The then-current fee. The current fee is \$2,000.00 plus travel	Two weeks before the beginning of the Facilitator Training (as	Facilitator Training is required before a Facilitator may facilitate

(1) Type of Fee¹	(2) Amount	(3) Date Due	(4) Remarks
	and living expenses.	defined below).	a TAB Board Meeting or provide coaching to TAB Members. You may not be reimbursed for any amounts paid to us for Facilitator Training. You may require your Facilitator to pay for his/her travel and living expenses directly to third parties.
Transfer Fee and Training Fee for Purchaser of Franchise ⁵	\$7,500.00 and the Initial Training Fee at the then-current rate.	Payable upon transfer.	
Renewal Fee	\$5,000.00.	At least ninety days before renewing your right to operate the TAB Business.	Paid when you sign a new Franchise Agreement.
Fee Upon Continuing After Expiration of the Franchise Agreement or Holdover Fee	The greater of the Minimum Royalty Fee or 50% of your Gross Revenue from the TAB Opportunity.	Monthly by the tenth business day of each month.	This fee is only paid if you acquire and continue to operate the TAB Business after the expiration of the Franchise Agreement or any renewal terms.
TAB Quality Review of TAB Board Meetings and/or Private Coaching Session	Reasonable travel and accommodation expenses of person doing the audit.	As incurred.	We have the right, without notice, to review your TAB Board Meetings and/or private coaching sessions, but we will not charge these fees for more than one review in any period of thirty-six months.
TAB Audit of Your Financial Records	Cost of inspection or audit, plus amount of understatement, if any, due plus interest.	Within seven days of inspection or audit report.	Payable only if you fail to provide us with required reports and records and/or you understate the amounts due us by more than 2% in any month.
Indemnification and Costs and Attorneys' Fees	Variable.	As incurred.	You must reimburse us if we are held liable for claims resulting from your TAB Business operations. You must also pay our attorneys' fees if we take legal

(1) Type of Fee ¹	(2) Amount	(3) Date Due	(4) Remarks
			action to enforce the Franchise Agreement due to your breach.
Management Fee for Providing a Certified Facilitator Because of Your Death or Disability	50% of your Gross Revenue from the TAB Opportunity.	As incurred.	Payable only if you or your estate cannot provide an interim Facilitator.
Reimburse Us for Certain Taxes	The amount of all sales taxes, use taxes, personal property taxes, and similar taxes imposed upon, required to be collected by, or paid by us or our affiliates, on account of services or goods furnished to you.	As incurred.	
Late Charge	The then-current late fee for late or non-submittal of reports, tips and the like. The current late fee is \$100.00.	As assessed.	
Early Termination Fee For MM TAB Business Franchises, NMM TAB Business Franchises and Optional Franchise Fee TAB Business Franchises	27% of the remaining Minimum Royalty Fee payments under the Franchise Agreement.	When you elect to terminate the Franchise Agreement.	Due only if you elect to terminate the Franchise Agreement on or after the third anniversary of your Start of Business Operations. You will be required to sign our then-current Voluntary Termination and Release Agreement.

Notes:

1. **Fees Paid to Us; Amount Collected on Your Behalf.** Except where otherwise noted, all fees and costs are payable to us or our designee and are non-refundable. All fees are uniform unless otherwise noted. We have the right to increase any fees due from you, as well as any charges for products, materials, and services provided to you, based on our reasonable judgment, from time to time. Annual increases in the Minimum Royalty Fee will be limited to the percentage increase in the Consumer Price Index. Unless otherwise noted in Item 6, all franchisees will pay the described fee.

We invoice/charge and collect Gross Revenue from the TAB Opportunity from your TAB Members through our billing and collection services (“**Amounts Collected on Your Behalf**”). We send reminder notices to invoiced TAB Members who do not pay on time. Any additional expenses incurred that are necessary for collection from TAB Members, such as using personnel to make collection calls, payments to collections firms or collections attorneys, will not be incurred without your approval. You

will be charged for such expenses once we receive your approval to engage in such collection activities. If your TAB Members pay by credit card or EFT, you will pay 80% of the credit card fees and 100% of the EFT fees. After deducting all fees you owe to us, we will pay you the balance of Amounts Collected on Your Behalf on or about the tenth business day of each month. If the amount of the funds received by us is not sufficient to pay the applicable fees in any given month and you fail to pay such amounts when due, in addition to any other rights and remedies that we may have, we may deduct the amounts due, plus any applicable penalties and/or interest, from future Amounts Collected on Your Behalf.

2. **Gross Revenue from the TAB Opportunity.** Gross Revenue from the TAB Opportunity include (1) dues you charge your TAB Members for participating in a TAB Board and/or receiving coaching, (2) Business Assessment Fees you charge your new TAB Members as an activation fee, and (3) revenue from Supplemental Products and Services, if any.

3. **Member Administration and Support Fee.** The member administration and support fee is for certain services and administrative and tracking functions, including billing, that we provide (see Item 11).

4. **International Conference Facilitator Registration Fee.** The international conference Facilitator registration fee includes attendance for two people.

5. **Transfer of Your TAB Business.** You will also be responsible for paying any applicable referral fees charged by the broker or other referral source and any sales commission which would have been paid to any TAB salesperson working with the party to whom you are transferring your TAB Business.

ITEM 7

ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT – MM TAB BUSINESS FRANCHISE

(1) Type of Expenditure	(2) Amount	(3) Method of Payment	(4) When Due	(5) To Whom Payment is Made ¹
Initial Franchise Fee for an MM TAB Business Franchise ²	\$44,000.00.	Cash or certified funds.	Upon signing Franchise Agreement.	Us.
Initial Training Fee ³	\$19,500.00.	Cash or certified funds.	Upon signing Franchise Agreement.	Us.
Marketing Fee	\$2,188.00.	Cash or certified funds.	Upon signing Franchise Agreement.	Us.
Telemarketing and LinkedIn Prospecting Service Fees for Required Mass Marketing Campaign ⁴	\$4,800.00 to \$6,400.00.	As agreed.	As incurred.	Vendors.
FST Travel and Living Expenses ⁵	\$2,400.00 to \$4,000.00.	Cash or certified funds.	As incurred.	Restaurants, hotels, airlines, etc.
Your Travel and Living	\$0.00 to	As agreed.	As incurred.	Restaurants, hotels,

(1) Type of Expenditure	(2) Amount	(3) Method of Payment	(4) When Due	(5) To Whom Payment is Made ¹
Expenses During Initial Training Program ⁶	\$4,000.00.			airlines, etc.
Equipment ⁷	\$0.00 to \$2,400.00.	As agreed.	Within thirty days of signing Franchise Agreement.	Suppliers.
Supplies, Stationery and Business Cards ⁸	\$250.00 to \$500.00.	As agreed.	As incurred.	Us and/or suppliers.
Deposits and Licenses ⁹	\$0.00 to \$600.00.	As agreed.	As incurred.	Third parties.
Technology Fee for Three Months from the Start of Business Operations	\$360.00.	As agreed.	\$120.00 per month.	Us.
Accounting and Professional Fees ¹⁰	\$0.00 to \$1,500.00.	As agreed.	As incurred.	Professionals.
Additional Funds for First Three Months After Your Start of Business Operations ¹¹	\$1,700.00 to \$2,225.00.	As agreed.	As incurred.	Suppliers, telephone carriers, insurance carriers, restaurants, hotels, airlines, or other third parties.
Total Estimated Initial Investment¹²	\$75,198.00 to \$87,673.00.			

YOUR ESTIMATED INITIAL INVESTMENT – NMM TAB BUSINESS FRANCHISE

(1) Type of Expenditure	(2) Amount	(3) Method of Payment	(4) When Due	(5) To Whom Payment is Made ¹
Initial Franchise Fee for an NMM TAB Business Franchise ²	\$29,500.00.	Cash or certified funds.	Upon signing Franchise Agreement.	Us.
Initial Training Fee ³	\$19,500.00.	Cash or certified funds.	Upon signing Franchise Agreement.	Us.
Marketing Fee	\$2,188.00.	Cash or certified funds.	Upon signing Franchise Agreement.	Us.
Telemarketing and LinkedIn Prospecting Service Fees for Required Mass Marketing Campaign ⁴	\$4,800.00 to \$6,400.00.	As agreed.	As incurred.	Vendors.
FST Travel and Living Expenses ⁵	\$2,400.00 to \$4,000.00.	Cash or certified funds.	As incurred.	Restaurants, hotels, airlines, etc.
Your Travel and Living Expenses During Initial Training Program ⁶	\$0.00 to \$4,000.00.	As agreed.	As incurred.	Restaurants, hotels, airlines, etc.

(1) Type of Expenditure	(2) Amount	(3) Method of Payment	(4) When Due	(5) To Whom Payment is Made ¹
Equipment ⁷	\$0.00 to \$2,400.00.	As agreed.	Within thirty days of signing Franchise Agreement.	Suppliers.
Supplies, Stationery and Business Cards ⁸	\$250.00 to \$500.00.	As agreed.	As incurred.	Us and/or suppliers.
Deposits and Licenses ⁹	\$0.00 to \$600.00.	As agreed.	As incurred.	Third parties.
Technology Fee for Three Months from the Start of Business Operations	\$360.00.	As agreed.	\$120.00 per month.	Us.
Accounting and Professional Fees ¹⁰	\$0.00 to \$1,500.00.	As agreed.	As incurred.	Professionals.
Additional Funds for First Three Months After Your Start of Business Operations ¹¹	\$1,700.00 to \$2,225.00.	As agreed.	As incurred.	Suppliers, telephone carriers, insurance carriers, restaurants, hotels, airlines, or other third parties.
Total Estimated Initial Investment¹²	\$60,698.00 to \$73,173.00.			

**YOUR ESTIMATED INITIAL INVESTMENT – OPTIONAL FRANCHISE
FEE TAB BUSINESS FRANCHISE**

(1) Type of Expenditure	(2) Amount	(3) Method of Payment	(4) When Due	(5) To Whom Payment is Made ¹
Option Fee for an Optional Franchise Fee TAB Business ²	\$9,450.00.	Cash or certified funds.	Upon signing Franchise Agreement.	Us.
Initial Training Fee ³	\$19,500.00.	Cash or certified funds.	Upon signing Franchise Agreement.	Us.
Marketing Fee	\$2,188.00.	Cash or certified funds.	Upon signing Franchise Agreement.	Us.
Telemarketing and LinkedIn Prospecting Service Fees for Required Mass Marketing Campaign ⁴	\$4,800.00 to \$6,400.00.	As agreed.	As incurred.	Vendors.
FST Travel and Living Expenses ⁵	\$2,400.00 to \$4,000.00.	Cash or certified funds.	As incurred.	Restaurants, hotels, airlines, etc.
Your Travel and Living Expenses During Initial Training Program ⁶	\$0.00 to \$4,000.00.	As agreed.	As incurred.	Restaurants, hotels, airlines, etc.
Equipment ⁷	\$0.00 to \$2,400.00.	As agreed.	Within thirty days of signing	Suppliers.

(1) Type of Expenditure	(2) Amount	(3) Method of Payment	(4) When Due	(5) To Whom Payment is Made ¹
			Franchise Agreement.	
Supplies, Stationery and Business Cards ⁸	\$250.00 to \$600.00.	As agreed.	As incurred.	Us and/or suppliers.
Deposits and Licenses ⁹	\$0.00 to \$600.00.	As agreed.	As incurred.	Third parties.
Technology Fee for Three Months from the Start of Business Operations	\$360.00.	As agreed.	\$120.00 per month.	Us.
Accounting and Professional Fees ¹⁰	\$0.00 to \$1,500.00.	As agreed.	As incurred.	Professionals.
Additional Funds for First Three Months After Your Start of Business Operations ¹¹	\$1,700.00 to \$2,225.00.	As agreed.	As incurred.	Suppliers, telephone carriers, insurance carriers, restaurants, hotels, airlines, or other third parties.
Total Estimated Initial Investment¹²	\$40,648.00 to \$53,223.00.			

Notes:

These expenses assume that you will operate the TAB Business out of your home or existing office space without incurring additional rental expenses.

1. **Credit Card Payments and Refunds.** You will pay all associated processing charges for any initial fees paid to us or our affiliates by credit card or EFT. All fees imposed by us or our affiliates are non-refundable unless otherwise noted. Fees and expenses paid to vendors or other third parties may or may not be refundable depending on the arrangements you make with them.

2. **Initial Franchise Fee and Option Fee.** The Initial Franchise Fee and Option Fee are non-refundable (see Item 5).

3. **Initial Training Fee.** The non-refundable Initial Training Fee will include up to eight days of the HQ Training Program, up to eight days of field support training in your Protected Territory, advanced business development training, new franchisee business coaching for the period set out in the Operations Manual, and on-line training.

4. **Telemarketing and LinkedIn Prospecting Service Fees for Required Mass Marketing Campaign.** You will pay third party vendors to provide you with telemarketing services and LinkedIn prospecting for your required Mass Marketing Campaign. The costs depend on the number of telemarketing hours required to call the Mass Marketing Campaign target list a prescribed number of times. We estimate between 150 to 200 hours of telemarketing time for your required Mass Marketing Campaign (see Item 11). You may elect to market to the additional prospects (outside of the Mass Marketing Campaign target list we provide) or require the telemarketing company to call the Mass Marketing Campaign target list more than the prescribed number of times, at your additional expense, as part of your required Mass Marketing Campaign. Our current LinkedIn prospecting service vendor charges \$47.99 per month for the recommended LinkedIn Business Plus Premium account.

5. **FST Travel and Living Expenses.** The travel and living expenses during your required Mass Marketing Campaign will vary by such factors as cost of air travel, restaurant expenses and accommodations in your Protected Territory.
6. **Travel and Living Expenses.** Travel and living expenses during the Initial Training Program and the advanced business development training will vary by such factors as traveling distance, method of travel, and your choice of accommodations. The low estimate assumes you live near the site of the Initial Training Program and advanced business development training and return home at night. The high estimate assumes travel by air and lodging in a quality hotel.
7. **Equipment.** This item includes the estimated cost to equip your TAB Business with computer hardware, software and additional miscellaneous office equipment. The low estimate assumes you already own equipment that you can use in your office and for your initial Marketing Events (as defined below). The high estimate assumes purchasing the equipment.
8. **Supplies, Stationery, and Business Cards.** The low estimate assumes you need few additional supplies. The high estimate assumes you need a significant amount of additional supplies. Supplies do not include TAB promotional items or designated materials.
9. **Deposits and Licenses.** Starting your TAB Business may require various deposits and/or licenses to be paid and/or obtained by you. Deposit and license fees and requirements will vary depending upon the location of your Protected Territory.
10. **Accounting and Professional Fees.** Starting your TAB Business may require various accounting, legal and/or professional services to set up your TAB Business.
11. **Additional Funds for Three Months After Your Start of Business Operations.** Your Start of Business Operations will generally be the first day of the month after you complete your HQ Training Program (see Item 11). This is an estimate of the additional funds necessary for the first three months after your Start of Business Operations. This item includes a variety of expenses and working capital items during your start-up phase, such as the cost of a meeting room and food and beverages for up to eight Marketing Events held during your required Mass Marketing Campaign, insurance and other miscellaneous costs. These figures do not include rent, salaries, Royalty Fees, TAB Member administration and support fees, Marketing Development Fees or debt service (see Item 6). These figures are estimates and we cannot guarantee that you will not have additional expenses starting your TAB Business or incurred during the initial period of your TAB Business operations. The actual amount of your additional funds will depend on factors such as your management skills, your experience and business acumen, local economic conditions, the local market for our services and products, competition, when you engage a part-time assistant and the weekly hours and amount you pay the assistant, and the membership level you reach during this initial period.
12. **Total Initial Investment.** We have relied on our experience in preparing these figures. You should review these figures carefully with a business advisor before you make any decision to purchase a TAB Business franchise. These figures are estimates and we cannot guarantee that you will not incur additional costs. Your financial condition and arrangements negotiated by you and the business decisions you make will also affect these costs. There is no assurance that the experience of a particular franchisee will correspond with the information presented above.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Approved Suppliers/Specifications

You must establish and operate your TAB Business in compliance with your Franchise Agreement and the Operations Manual that we loan to you. You are required to purchase all goods, products, services, supplies, inventory, equipment and materials required for the operation of the TAB Business from manufacturers, suppliers or distributors we approve, or from other manufacturers, suppliers or distributors who meet our specifications and standards as to quality, appearance, taste and service and who adequately demonstrate their ability to supply the needs of TAB Businesses in a timely and reliable manner. The items required to be purchased through us or our designated suppliers are listed below in this Item 8. Some of the approved manufacturers, suppliers or distributors may be affiliated with us. We have imposed these requirements in order to assure quality and uniformity.

Approved manufactures, suppliers, distributors, goods, products, services, supplies, inventory, equipment and materials may be designated in the Operations Manual. We may modify the list of approved manufacturers, suppliers, distributors, goods, products, services, supplies, inventory, equipment and materials. You must notify us if you wish to purchase or lease any goods, products, services, supplies, inventory, equipment and materials not approved by us or purchase them from non-designated manufacturers, suppliers or distributors. These goods, products, services, supplies, inventory, equipment, materials and non-designated manufacturers, suppliers and distributors must meet our specifications. We may require you to submit sufficient photographs, drawings and/or other information and samples to determine whether these goods, products, services, supplies, inventory, equipment, materials and non-designated manufacturers, suppliers and distributors meet our specifications. We do not currently charge a fee for this review, but reserve the right to do so in the future. Our standards and specifications may impose minimum requirements for delivery, performance, design and appearance. We will advise you within a reasonable time after your request whether you may purchase different goods, products, services, supplies, inventory, equipment and materials or use different manufacturers, suppliers, and/or distributors based on our specifications. Our specifications will be made available to you upon your request. We may revoke our approval by providing you with notice. Neither we nor any of our officers own an interest in or are presently affiliated with any approved or designated manufacturers, suppliers or distributors. We may change our standards and specifications, or manufacturers, suppliers or distributors who have our authorization at any time.

Required Purchases

TAB Promotional Materials

You must purchase promotional materials (the “**TAB Promotional Materials**”) directly from us or Pro-Forma, our current designated supplier. We may change our designated supplier at any time. TAB Promotional Materials include Start-Up Kits, New Member Kits, brochures, books, videos, DVDs, CDs, slides, forms and other materials used by you in your TAB Business. A “**Start-Up Kit**” includes pocket folders, TAB Member survey infographics, TAB Member testimonial fliers and TAB Member case studies. A “**New Member Kit**” includes notebooks or folders and new TAB Member information. We may change the contents of the Start-Up Kit or New Member Kit at any time. You must maintain TAB Promotional Materials at all times in the amounts stated in the Operations Manual. We provide the initial Start-Up Kits and New Member Kits (through our designated supplier) at no cost to you; however, you will be required to pay for shipping.

CRM System

You must sublicense the customer relationship management system (the “**CRM System**”) from us for at least one full calendar year beginning in January. We currently license our CRM System from SalesForce, but may change vendors in the future. You will sign a CRM System Use Agreement at the same time you sign a Franchise Agreement and pay the Technology Fee only to us or our designated suppliers as we determine (see Exhibit E).

Satellite Website

You must license the satellite website for your TAB Business (the “**Satellite Website**”) from us. You will sign a Satellite Site Service Authorization Agreement (the “**Satellite Website Agreement**”) and pay the monthly Technology Fee only to us or our designated suppliers as we determine (see Exhibit L).

Computer Hardware

If you do not already have a computer, you are required to purchase or lease a laptop computer with a DVD-ROM bay and a USB port for use in your TAB Business. You may purchase or lease this computer from any supplier you choose.

Insurance

You must maintain the following minimum insurance coverage during the term of your Franchise Agreement:

1. Comprehensive public/general liability and property damage insurance, including personal and bodily injury liability, contractual liability, employer’s liability, and owner’s and contractor’s protective insurance coverage for the activities conducted by you and any employee or other person performing work for your TAB Business, with a policy limit of at least \$1,000,000.00 per occurrence or other amounts as we may specify in the Operations Manual;
2. Automobile and comprehensive liability insurance with limits of at least \$1,000,000.00 combined single limit of liability, including hired and non-owned auto liability for bodily injury and property damage or other amounts as we may specify in the Operations Manual for bodily and property injury or other amounts as we may specify in the Operations Manual; and
3. Workers’ compensation or similar insurance as required by law.

All insurance coverage must be maintained under one or more policies of insurance issued by insurance carriers with a performance rating acceptable to us as may be described in the Operations Manual. All insurance policies required must (1) name us as an additional insured, (2) contain a waiver by the insurance carrier of all subrogation rights against us, our affiliates, officers, directors, and employees, and (3) provide us with thirty days’ written notice before the termination, cancellation, expiration, or modification of any policy. With thirty days’ notice to you, we may increase the minimum protection requirements as of the renewal date of any policy, and may require different or additional kinds of insurance at any time, including excess liability (umbrella) insurance.

Payments

Purchases made by our franchisees from us for the 2015 fiscal year totaled \$654,077.00, which equaled 11% of our total revenue of \$6,053,294.00 for that fiscal year. Our affiliates did not receive any

gross revenue from purchases by our franchisees. We estimate that the costs of your purchases from designated or approved manufacturers, suppliers, or distributors or according to our standards and specifications will range from 29% to 64% of the total cost of establishing a TAB Business and approximately 24% to 27% of the total cost of operating your TAB Business after that time.

In an effort to make sources of supplies and services available to you, we may negotiate purchase programs under which you can purchase items which meet our specifications. We currently negotiate purchase arrangements with Pro-Forma, including the price terms. We may receive a commission on the sale of items sold under our purchase programs to franchisees by the manufacturer, supplier or distributor, on the compilation of mailing lists by outside suppliers and on items sold by us (which may include, but is not limited to, our handling charge). During our fiscal year ended December 31, 2015, we received \$82,994.00 in gross revenues from manufacturers, suppliers or distributors based on purchases by franchisees. You may or may not receive any material benefits based on your use of designated or approved manufacturers, suppliers or distributors. Except as described in above, we did not derive income based on any required purchases or leases in 2015.

ITEM 9

FRANCHISEE'S OBLIGATIONS

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

Obligation	Section in Franchise Agreement	Franchise Disclosure Document Item
a) Site selection and acquisition/lease	Section 2.1.	Item 11.
b) Pre-opening purchases/leases	Sections 5.1, 7.1 and 8.3.	Items 5 and 7.
c) Site development and other pre-opening requirements	Not applicable.	Not applicable.
d) Initial and ongoing training	Sections 7.1 and 8.1.	Item 11.
e) Opening	Section 8.4.	Item 11.
f) Fees	Sections 5.	Items 5, 6 and 7.
g) Compliance with standards and policies/Operations Manual	Sections 6.4.	Item 11.
h) Trademarks and proprietary information	Section 13.	Items 13 and 14.
i) Restrictions on products/services offered	Section 8.8.	Items 8 and 16.
j) Warranty and customer service requirements	Sections 8.6.	Item 16.
k) Territorial development and sales quotas	Sections 2 and 9.5.	Item 12.
l) Ongoing product/service purchases	Section 8.8.	Item 8.
m) Maintenance, appearance, and remodeling requirements	Not applicable.	Not applicable.
n) Insurance	Section 15.1.	Items 6 and 8.
o) Advertising	Section 10.	Item 11.
p) Indemnification	Section 15.2.	Item 6.

Obligation	Section in Franchise Agreement	Franchise Disclosure Document Item
q) Owner's participation/management/staffing	Sections 8.1, 8.9, 11 and 16.	Item 15.
r) Records/reports	Section 12.	Item 6.
s) Inspections/audits	Sections 12.3.	Item 6.
t) Transfer	Section 16.	Item 17.
u) Renewal	Section 4.	Item 17.
v) Post-termination obligations	Section 17.6.	Item 17.
w) Non-competition covenants	Section 14.2.	Item 17.
x) Dispute resolution	Section 18.	Item 17.

ITEM 10

FINANCING

Neither we nor any agent or affiliate currently offer, directly or indirectly, any financing to you, nor do we guarantee any lease or other obligations for you.

ITEM 11

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

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

Assistance Before Your Start of Business Operations

Before your Start of Business Operations for your TAB Business, we, our affiliates, our area developers or designees we choose will:

1. Designate your Protected Territory (see Section 2.1(a) of the Franchise Agreement and Item 12);
2. Provide you with home-study materials prior to your attending the HQ Training Program (see Section 6.2(c) of the Franchise Agreement and Item 11);
3. Provide the HQ Training Program. You will pay the Initial Training Fee (see Section 7.1(a)(1) of the Franchise Agreement and Items 5 and 7);
4. Provide you access to the Operations Manual (see Section 6.4 of the Franchise Agreement);
5. Provide you with initial sets of the Start-Up Kits and the New Member Kits. There is no fee for the initial sets of the Start-Up Kits or the New Member Kits other than shipping costs. You will pay the then-current rates for additional Start-Up Kits or New Member Kits (plus shipping) (see Section 6.2(e) of the Franchise Agreement);
6. Provide you with a sublicense to use the CRM System. You will pay the Technology Fee (see Section 6.2(f) of the Franchise Agreement and Item 7);

7. Provide you with a Satellite Website. You will pay the Technology Fee (see Section 6.2(g) of the Franchise Agreement and Item 7);

8. Provide access to the Facilitator Intranet (see Section 6.2(h) of the Franchise Agreement and Item 7);

9. Assign you a designated business coach to provide the New TAB Franchisee Business Coaching Services (as defined below). We may assign a different business coach to you at any time (see Section 7.1(a)(4) of the Franchise Agreement and Items 6 and 7); and

10. Provide guidance, strategy and advice for your TAB Business at your reasonable request during our regular business hours via the telephone, e-mail or other means we determine (see Section 6.2(i) of the Franchise Agreement).

Assistance After Your Start of Business Operations

After your Start of Business Operations and during the operation of your TAB Business, we, our affiliates, our area developers or designees we choose will do the following:

1. Provide marketing support for your required Mass Marketing Campaign. You will pay the Marketing Fee (see Section 9.3(a) of the Franchise Agreement and Item 5);

2. Provide FST services for up to eight days in your Protected Territory. You will pay the FST travel and living expenses (see Section 7.1(a)(2) of the Franchise Agreement and Items 5 and 7);

3. Invoice and charge your TAB Members for Membership Dues and Business Assessment Fees in advance each month or quarter, develop, produce and distribute to you and your TAB Members the Tips from the Top[®] news letter, send, review and evaluate periodic surveys and/or evaluations to TAB Members, provide access to a TAB Member Intranet, provide periodic reports/newsletters for franchisees with ideas and advice about your TAB Business, and provide various membership administrative functions. You will pay the Member Administration and Support Fee for these services (see Section 6.3(a) of the Franchise Agreement and Item 6);

4. Produce an annual international conference for franchisees, Facilitators, and/or TAB Members. You will pay an international conference registration fee for any international conference. There may be additional fees to attend if we produce a TAB Member conference (see Section 7.2 of the Franchise Agreement and Item 6);

5. We may provide you with public relations release formats, local marketing plans and materials, including newspaper ads, radio commercials, sales aids, and other promotional and marketing materials (see Section 6.3(d) of the Franchise Agreement);

6. Provide you with up to two days of advanced business development training as we may determine from time to time at our corporate headquarters or other location (see Section 7.1(a)(3) of the Franchise Agreement and Item 11);

7. Provide you with Continuing Advanced Training (as defined below) as we may determine from time to time via telephone, e-mail, SKYPE-type video, webinar or any other means we determine (see Section 7.1(c) of the Franchise Agreement and Item 11);

8. Subject to availability, provide you with Facilitator Training for your Facilitators. You will pay the then-current Facilitator Training Fee (see Section 7.3 of the Franchise Agreement and Items 6 and 11);

9. Make a representative reasonably available to you via the telephone or e-mail during our normal business hours as we determine is necessary to discuss your TAB Business, and marketing, strategy or advice for your TAB Business. You are responsible for any applicable charges which may apply for any such additional assistance and/or resources (see Section 6.3(i) of the Franchise Agreement); and

10. We may develop new services and offerings from time to time that may be used by you in your TAB Business, including Supplemental Products and Services (see Section 6.3(j) of the Franchise Agreement).

Advertising And Marketing

You may create your own advertising materials and advertise locally within your Protected Territory. All of your advertising must be in media of a type, format and manner of communication that we approve and must conform to the standards and requirements we specify in the Operations Manual. You may not use any advertising or promotional plans or materials until you receive our written approval. We will approve or disapprove of your advertising within ten business days of the date we receive the advertising materials. You may not post any advertisements on the Internet or use any of our Trademarks as part of a domain name anywhere on the Internet, or on any advertising materials that we have not approved.

You are not required to participate in any local or regional advertising cooperatives. We have a Marketing Advisory Board (the “**MAB**”) as described below.

First Year Local Marketing Requirement

For the first twelve months from your Start of Business Operations, you are required to engage in marketing activities for your TAB Business. This requirement includes one required Mass Marketing Campaign conducted in accordance with the Operations Manual. Upon completion of your Mass Marketing Campaign, you will conduct the marketing, prospecting and sales activities and programs for your TAB Business per the guidelines set forth in the Operations Manual (the “**Additional Marketing**”) for the balance of the twelve month period.

Mass Marketing Campaign and Marketing Support

A mass marketing campaign is a marketing campaign to solicit prospects in your Protected Territory to attend a Marketing Event and/or a One-on-One Meeting (as defined below) to become TAB Members (the “**Mass Marketing Campaign**”). You will conduct one Mass Marketing Campaign. We will provide marketing support as described in the Operations Manual to assist you with your required Mass Marketing Campaign. The provided marketing support currently includes (1) acquiring a marketing list as defined in the Operations Manual for your Protected Territory, (2) uploading the marketing list to your CRM System account, de-duping information and creating a Mass Marketing Campaign target list, (3) acquiring e-mails for your marketing list when available, (4) sending up to three e-mail blasts per e-mail account acquired for your Mass Marketing Campaign target list, (5) an initial set of confirmation promotional gifts, and (6) if you do not already have a TAB CRM system or a TAB Satellite Website, obtaining a URL for use in your TAB Business, setting up your Satellite Website and providing you with access to the CRM System (collectively, the “**Marketing Support**”). The Marketing Support will be

provided in the manner set out in the Operations Manual. We have the right to change the Marketing Support.

Marketing Event and One-on-One Meeting

“**Marketing Events**” are the group events to which prospects in your Protected Territory are invited to learn about the value of becoming a TAB Member. You are expected to provide meeting rooms and supply food and beverages. These expenses range from \$0.00 to \$130.00 per Marketing Event (see Item 7). We recommend that you use a host, such as a bank, for your Marketing Events to assist with these costs. The high estimate assumes that you will pay all expenses for Marketing Events. The low estimate assumes that your host pays all expenses. “**One-on-One Meetings**” are typically short meetings to bond with a prospect, educate them on TAB Membership and schedule a subsequent meeting to sign the prospect as a TAB Member.

Conducting a Mass Marketing Campaign.

Our Operations Manual describes the Mass Marketing Campaign process and tactics for your use in conducting the required Mass Marketing Campaign. You will use telemarketing services as part of the required Mass Marketing Campaign. The cost of the telemarketing services ranges from \$4,800.00 to \$6,000.00 (see Item 7).

Additional Marketing

Beginning the month after you complete your Mass Marketing Campaign (typically, between the fourth and fifth month after your Start of Business), you will be required to conduct the Additional Marketing for the balance of the twelve month period from your Start of Business Operations (typically, between eight and nine months). Our current guidelines require that you conduct marketing, prospecting and sales activities and programs each month to a pro-rata portion of your marketing list. We estimate that the monthly investment for Additional Marketing is between \$750.00 and \$1,250.00.

Marketing Advisory Board

Our Marketing Advisory Board (the “**MAB**”) currently consists of up to ten franchisees and up to three of our representatives. The MAB serves in an advisory capacity. We and the MAB chairperson solicit franchisees to participate on the MAB with the participation of the Franchisee Advisory Board (the “**FAB**”). We select our representatives with input from the MAB members. The MAB may be dissolved upon the mutual approval of the FAB and us. Changes to the by-laws for the FAB (of which the MAB is an operating committee) require an affirmative vote of a majority of the FAB council members and us.

Marketing Development Fee

Beginning on the first month in which we receive our Royalty Fee, you will begin to pay us a monthly marketing development fee (the “**Marketing Development Fee**”). For the first twelve months after your Start of Business Operations, the amount of the Marketing Development Fee is 2% of your Gross Received Revenue. Beginning on the thirteenth month after your Start of Business Operations, the Marketing Development Fee is the greater of (1) \$200.00, or (2) 2% of your Gross Received Revenue. We will deposit the Marketing Development Fee into a segregated commercial or savings bank account (the “**Franchise Marketing Account**”). The Marketing Development Fee will not be credited towards your marketing commitment.

The Franchise Marketing Account may be used for, but not limited to, production and placement of media advertising, media relations salaries, administrative costs and creating and testing direct response literature, social medial, direct mailings, brochures, collateral material, advertising, surveys, or other public relations expenditures, including agency costs and commissions and for other similar expenses. Advertising may be placed in local, regional or national media of our choice, including print, direct mail, radio, online media, e-mail, or television. The Franchise Marketing Account will not be used to solicit franchisees. If you request, we will send you an annual unaudited financial statement for the Franchise Marketing Account that indicates how the Franchise Marketing Account has been spent during the past fiscal year. We do not have the Franchise Marketing Account audited and audited financial statements are not available. We assume no other direct or indirect liability or obligation to collect amounts due to the Franchise Marketing Account or to maintain, direct or administer the Franchise Marketing Account.

We administer the Franchise Marketing Account. We may be reimbursed from the Franchise Marketing Account for reasonable administrative costs, salaries, and overhead expenses related to the administration and operation of the Franchise Marketing Account and its programs, including conducting market research, preparing material, social media, and other programs as well as administration, collecting and accounting for Franchise Marketing Account contributions. We have used in-house personnel in the past to create written press releases, audio and direct mail advertising and promotions and social medial and we intend to continue this practice in the future. We have reimbursed ourselves for certain expenses, including salaries, for such services.

During our fiscal year ended December 31, 2015, the Franchise Marketing Account spent approximately 4% on administration, 10% on advertising, 12% on market research, 11% on testing, 12% on newsletters, 41% on public relations and social media, and 9% on search engine marketing and web development. In any fiscal year, an amount greater or less than the aggregate contribution of all TAB Businesses to the Franchise Marketing Account may be spent in that year.

The Franchise Marketing Account may borrow from us or other lenders to cover deficits or invest any surplus for future use on any terms that we determine. We may reimburse ourself or other lenders for such loans from the Franchise Marketing Account. Any amounts that remain in the Franchise Marketing Account at the end of each year accrue and we may apply them toward the next year's expenses. We also reserve the right to borrow excess funds from the Franchise Marketing Account periodically at our discretion to support other efforts to develop the Licensed Methods.

We do not guarantee that advertising expenditures from the Franchise Marketing Account will benefit you or any other franchisee directly or on a pro rata basis. We undertake no obligation to ensure that Franchise Marketing Account expenditures in or affecting any geographic area are proportionate or equivalent to the contributions of franchisees operating in that geographic area or that any franchisee will benefit directly or in proportion to its contribution to the Franchise Marketing Account from the development of advertising and marketing materials or the placement of advertising.

Computers and Other Electronic Systems

You will own or lease a laptop computer manufactured no more than five years from the date you sign the Franchise Agreement. The computer will have a VGA or HDMI video output, an internal or external DVD-ROM drive, a flash card bay, and a minimum of one GB of RAM for use in your TAB Business. You are not currently required to obtain your computer from any specific vendor. You are not required to use any particular operating system. You will have a recent copy of the Microsoft Office software suite. You will have a recent copy of the Microsoft Office software suite, e-mail, broadband access to the Internet, an installed web browser on a version released within the past year, a printer, a

mobile phone using the IOS or Android operating system, and any other equipment as may be required by the Operations Manual. The estimated cost for the computer and other electronic systems is \$2,000.00.

You will use our designated CRM System. You will pay a Technology Fee of \$120.00 a month (the “**Technology Fee**”) and sign a CRM System Use Agreement (see Exhibit E). Our approved CRM System supplier may provide normal system maintenance and updates for the CRM System from time to time. We or our approved supplier may upgrade the CRM System from time to time. We are under no obligation to provide you with any ongoing service related to the CRM System. We reserve the right to require you, at your expense and in the time frame we determine, to update, upgrade or change your computer and the CRM System you use in your TAB Business to conform to new standards or specifications. As technology improves, you will be required to upgrade your computer or purchase a new computer. No contractual limit exists on the frequency or cost of this obligation.

You will maintain current information about such things as the status and responses to your Mass Marketing Campaigns and other marketing, sales and prospecting efforts in your CRM System. We do not require access to your records on your computer, but we may require you to give us information through your computer or authorize remote access. We have independent access to the information stored in the CRM System, which includes prospective TAB Member leads, status, TAB Member data, activity levels and other notes.

You will license a Satellite Website for your TAB Business from us. You will pay the Satellite Website URL and setup fee of \$288.00 and the Technology Fee. You will also sign a Satellite Website Agreement (see Exhibit L).

Office Location Assistance

You may locate the office for your TAB Business in your home or any place within your Protected Territory. Although you may establish an office outside your home, you are not required to do so. If you decide to lease office space for your TAB Business, we recommend an executive suite with a shared receptionist and conference room. The office does not need to be located in a central business district. Your office location must be equipped according to our standards and specifications set out in the Operations Manual.

Start of Business Operations

If you are a new franchisee purchasing a franchise directly from us, your Start of Business Operations is the first day of the first month after you successfully complete the HQ Training Program as set out in Exhibit I of your Franchise Agreement. If you are purchasing a franchise from another franchisee or if you are a Facilitator engaged by either a TAB franchisee or us in a geographic area that includes some part of your Protected Territory or you are renewing your right to operate your TAB Business, your Start of Business Operations is the date specified in Exhibit I of your Franchise Agreement.

We estimate that the typical length of time between the signing of the Franchise Agreement and the day your TAB Business begins operating will be approximately ten to seventy-five days. The primary factor that affects this time is the availability and scheduling of our Initial Training Program.

Training Information

The Initial Training Program consists of the HQ Training Program, FST services, Advanced Business Development Training, New Franchisee Business Coaching and on-line training, including the

“Master of Entrepreneurial Studies” online program. You will pay the Initial Training Fee for you or your Managing Party to attend the Initial Training Program.

After you sign the Franchise Agreement and before your Start of Business Operations, you or your Managing Party must attend and complete the HQ Training Program described below to our satisfaction. You will complete the HQ Training Program within six months after signing the Franchise Agreement. HQ Training Program sessions are planned monthly and are subject to change depending on space availability and franchisee attendance level. You may be required to study materials for up to fifty additional hours before, during and after your classroom training begins. You will receive our certification as a “Certified TAB Facilitator” upon satisfactorily completing the HQ Training Program,

You may have additional participants attend the HQ Training Program if you pay our then-current fees for each additional participant and receive our prior approval. You will pay all travel, living expenses and wages, if applicable, that you, your Managing Party, and all of your additional participants incur to attend the HQ Training Program (see Items 5 and 7).

The HQ Training Program is primarily conducted by Dana Besbris, David Scarola, Philip Schwolert, Jodie Shaw, Greg Walker and Jason Zickerman. Dana Besbris conducts training relating to the DISC evaluation system. She has worked with the DISC system for three years and has practical experience in applying the DISC system in both employment and franchise selection settings, and has been training on the DISC system for two years. David Scarola conducts training relating to the initial operations of a Business and the TAB brand. He has worked in these areas for over ten years and has trained franchisees in these subjects for two years. Philip Schwolert conducts training relating to sales, program management, membership acquisition and marketing. He has been training in these subjects for over ten years. Jodie Shaw conducts training relating to marketing and personal coaching. She has been training in these subjects for over ten years. Greg Walker conducts training relating to the “Strategic Business Leadership[®]” program and maximizing value from a Business. He has been training in these subjects for over twenty years. Jason Zickerman conducts training relating to all aspects of the TAB system and has worked with the TAB system for over fifteen years.

The instruction materials include the Operations Manual, slides, videos, CD-ROMs, DVDs, handouts and audio and video presentations. The subjects covered in the HQ Training Program and the approximate amount of time devoted to each subject is listed below. The HQ Training Program may be modified at our discretion. The exact number and distribution of hours of classroom training may vary.

TRAINING SCHEDULE

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Introduction • Sharing Personal Vision Statements • Expectations for Training and Beyond	0.75	N/A	Westminster, Colorado
Introduction to DISC and Understanding a DISC Report	1.25	N/A	Westminster, Colorado
Plan for First Six Months	1.00	N/A	Westminster, Colorado
TABenos Exercise	0.25	N/A	Westminster, Colorado
TAB Technology Platform	1.50	N/A	Westminster, Colorado

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Being Prepared	1.25	N/A	Westminster, Colorado
TAB Business Vantage Report Debrief	1.50	N/A	Westminster, Colorado
First Coaching Session Overview	1.00	N/A	Westminster, Colorado
Identifying 90-Day Goals	1.25	N/A	Westminster, Colorado
The First Coaching Session Role Play	2.00	N/A	Westminster, Colorado
Coaching Sessions 2 to 12 Including Strategic Business Leadership	2.75	N/A	Westminster, Colorado
Coaching Challenges and Q&A	1.00	N/A	Westminster, Colorado
Your Role as a Facilitator/Coach	2.00	N/A	Westminster, Colorado
Facilitating the First TAB Board Meeting	3.25	N/A	Westminster, Colorado
Facilitation Protocols for the First 12 Months	1.25	N/A	Westminster, Colorado
Facilitation Challenges	1.50	N/A	Westminster, Colorado
Accounting Services	1.00	N/A	Westminster, Colorado
TAB Brand Overview	1.00	N/A	Westminster, Colorado
Campaign Operations	1.00	N/A	Westminster, Colorado
The Integrated Marketing Manual	4.75	N/A	Westminster, Colorado
Introduction to Member Acquisition	0.50	N/A	Westminster, Colorado
Effective Conversation Using Specific Techniques	0.50	N/A	Westminster, Colorado
Being Prepared	1.00	N/A	Westminster, Colorado
TAB Technology Platform	1.50	N/A	Westminster, Colorado
Understand Your Why	0.33	N/A	Westminster, Colorado
30 Second Commercial and Your Personal Commercial	1.25	N/A	Westminster, Colorado
Owner to Owner Calls	2.00	N/A	Westminster, Colorado
Networking and Referrals	1.00	N/A	Westminster, Colorado
Sponsors/Partners	0.50	N/A	Westminster, Colorado
Overview of Events	0.75	N/A	Westminster, Colorado
The Importance of Confidence	0.50	N/A	Westminster, Colorado
The Importance of Leading With an Offer	0.50	N/A	Westminster, Colorado
Removing the Barriers of Mistrust	1.00	N/A	Westminster, Colorado

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Discovery Meeting Overview	1.00	N/A	Westminster, Colorado
Discovery Meeting Role Play	1.25	N/A	Westminster, Colorado
Discovery Meeting Role Play Debrief	0.50	N/A	Westminster, Colorado
Overview of the 22 Questions/RFA	2.00	N/A	Westminster, Colorado
22 Questions/RFA Demonstration	1.75	N/A	Westminster, Colorado
22 Questions/RFA Role Play	3.00	N/A	Westminster, Colorado
Role Play Debrief	0.75	N/A	Westminster, Colorado
Post Close	0.50	N/A	Westminster, Colorado
Questions and Objections	1.25	N/A	Westminster, Colorado
What Now?	2.00	N/A	Westminster, Colorado
Non-Membership Income from the TAB Opportunity	1.25	N/A	Westminster, Colorado
Role Play Discovery Meeting and RFA	1.50	N/A	Westminster, Colorado
Role Play First Coaching Session and Creation of 90-Day Plan	1.50	N/A	Westminster, Colorado
Role Play Second Coaching Session	1.25	N/A	Westminster, Colorado
Role Play Third Coaching Session	1.25	N/A	Westminster, Colorado
TOTAL	60.83	N/A	Westminster, Colorado

The FST services include: (1) providing Marketing Event presentation training and TAB Member acquisition training, including, but not limited to, acting as the primary presenter for at least one Marketing Event, (2) training you to conduct One-On-One Meetings with prospective TAB Members, (3) helping you form TAB Boards in the manner we determine, and (4) other FST matters as we determine. You will receive FST services for up to eight days at the times we schedule. You will pay the FST travel and living expenses. You may request additional FST services at your expense. Our current fee for additional FST services is \$1,500.00 for each four business day period.

You or your Managing Party will attend and complete the two day advanced business development training to our satisfaction. There is no additional fee to attend. We may, at our option, also offer the advanced business development training via e-mail, webinar, SKYPE-type video, telephone or other method as we determine. You will complete the advanced business development training at the time we schedule, which will generally be immediately prior to our annual international conference traditionally held in August. You will pay for your travel, meals and living expenses to attend the advanced business development training.

You will participate in business coaching starting the month of your Start of Business Operations for the frequency and duration set out in the Operations Manual (the “**New TAB Franchisee Business**”).

Coaching Services”). There is no additional fee for the New Tab Franchisee Business Coaching Services. We will designate a business coach who will coordinate the details of your New TAB Franchisee Business Coaching. You will pay any telephone, Internet or other communication expenses. New TAB Franchisee Business Coaching Services may be provided in person, by telephone, SKYPE-type video, or other communication methods we determine. If at any time you do not meet our marketing threshold, we may require you to participate in additional business coaching services. You will be will pay the then-current fees for additional business coaching services and any telephone, Internet or other communication expenses.

You will participate in any continuing advanced training that we choose to offer in the future (the “**Continuing Advanced Training**”). The Continuing Advanced Training may be provided by various methods, including by telephone, SKYPE-type video, e-mail or webinars. You may be required to satisfactorily complete an exam after each Continuing Advanced Training session. We do not charge any fee for the Continuing Advanced Training. You will pay any telephone, Internet or other communication charges.

If you use Facilitators to facilitate TAB Boards in your Protected Territory, your Facilitators will not facilitate a TAB Board until they have satisfactorily completed the required training for Facilitators (the “**Facilitator Training**”). The Facilitator Training may, in TAB’s judgment, be less than the entire Initial Training Program. Prior to any Facilitator attending Facilitator Training, you must pay us the then-current training fee for the Facilitator Training (the “**Facilitator Training Fee**”) and submit a fully-executed Contract Facilitator Agreement (as defined below) to us. The Facilitator Training Fee is currently \$2,000.00. Your Facilitators can pay their travel and accommodation expenses incurred to attend the Facilitator Training directly to third party providers, but you must pay the Facilitator Training Fee. Facilitator Training is subject to class availability.

On an annual basis, we will produce an international conference that you will attend. The international conference fee is currently \$1,500.00 for two people to attend, but may change in our discretion. We may require you to attend additional international conferences, provided that you will not be required to attend more than two international conferences in a calendar year. At your reasonable request, we may also provide you with marketing best practices, and assistance with your marketing plans and marketing budget.

Operations Manual

You will operate your TAB Business in compliance with the operational systems, procedures, policies, methods and requirements found in the Operations Manual and in any supplemental bulletins and notices, revisions, modifications or amendments to the Operations Manual. The Operations Manual will be kept in a secure place within your TAB Business premises. The Operations Manual and all other manuals or written materials relating to your TAB Business will be returned to us upon termination or expiration of your Franchise Agreement. We may modify the Operations Manual, but the modifications will not substantially or materially alter your status and rights under the Franchise Agreement. The Operations Manual is confidential and remains our property. The Operations Manual is currently approximately 280 pages long. The Operations Manual’s Table of Contents is attached as Exhibit F to the Franchise Disclosure Document.

We may notify you of changes to the Operations Manual by any method, including, but not limited to, e-mail, posting the modified Operations Manual on the Facilitator Intranet or on our website or by facsimile. You will check the Facilitator Intranet for changes to the Operations Manual. You will ensure that the Operations Manual is kept current at all times. You will abide by any modifications, changes, additions, deletions and alterations to the Operations Manual and you will be responsible for all

costs and expenses that you may incur to comply. You may need to purchase updated equipment, products and supplies at your own cost. If there is any dispute as to the contents of the Operations Manual, the terms of the master copy we maintain at our principal office will control.

ITEM 12

TERRITORY

The Protected Territory

We will grant you a license to use the Licensed Methods under the Trademarks for the operation of a TAB Business within the Protected Territory. A Protected Territory will have up to 20,000 total businesses. You are prohibited from conducting any TAB Board Meetings, coaching for TAB Members, or other TAB Business activities outside your Protected Territory, except that your office may be located outside your Protected Territory if it is located in your home. You are prohibited from relocating your TAB Business out of your Protected Territory.

Your Protected Territory will be designated by certain ZIP codes, postal codes or counties we designate. Your Protected Territory may differ significantly from the Protected Territories of other franchisees, including, without limitation, the geographic size, number of total businesses, and demographics. Your Protected Territory will be described in Exhibit I of the Franchise Agreement.

In certain major metropolitan areas, we may offer a Protected Territory without any exclusivity rights in our discretion. These exceptions will be disclosed to potential franchisees for any such Protected Territory.

Minimum Performance Requirements

Beginning the tenth month from your Start of Business, you will collect a minimum amount of TAB membership revenue each standard calendar quarter (an “**Assessment Period**”). This minimum performance requirement is equal to five times the monthly Minimum Royalty Fee for the Assessment Period. For example, if the Minimum Royalty Fee is \$450.00 per month, the minimum performance requirement is \$6,750.00 for each applicable Assessment Period ($(\$450.00 \times 5) \times 3$). TAB membership revenue is the aggregate of TAB Membership Dues and Business Assessment Fees collected on a monthly basis. If your tenth month does not fall in the beginning of a calendar quarter, the minimum performance requirement for your first Assessment Period will be pro-rated. The minimum performance requirement is not, and should not be considered, a financial performance representation for your TAB Business. You are advised that meeting the annual minimum performance requirements does not suggest that you are sufficiently penetrating the market in your Protected Territory or that your TAB Business will be successful; rather, the minimum performance requirement is a threshold minimum amount.

If you fail to meet the minimum performance requirement in a given Assessment Period, we have the right to require you to participate in a remedial process detailed in the Operations Manual. If you fail to comply with the remedial process or you continue to fail to meet the minimum performance requirement in any two consecutive Assessment Periods or more than four times in any twenty-four month period, we have the right to revoke your exclusive Protected Territory and to operate TAB Businesses or authorize third parties to operate TAB Businesses anywhere within your Protected Territory.

Marketing Rights

You will only market your TAB Business to prospective TAB Members that have an office in your Protected Territory, to prospective TAB Members that you have received TAB's prior written approval, or to Prospect Exceptions as defined below. You will not use other channels of distribution, such as the Internet, telemarketing or other direct marketing sales to solicit TAB Members outside your Protected Territory without our prior written approval.

The term "**Prospect Exception**" refers to a prospective TAB Member who has a previous or existing social, business, or personal relationship with you, who has been referred to you by a TAB Member, or other party who personally knows the referred prospective TAB Member (so long as such referring party did not solicit such prospective TAB Member outside of your Protected Territory on your behalf), or who attended a Marketing Event in your Protected Territory presented by you before the date of your Franchise Agreement if you were an authorized Facilitator before you became a franchisee.

If you are in compliance with your Franchise Agreement and the Operations Manual, neither we nor our affiliates will solicit prospective TAB Members located in your Protected Territory to join TAB Boards (other than Prospect Exceptions and individuals running companies that have offices both within and outside your Protected Territory), grant franchises for TAB Businesses in your Protected Territory, or authorize other franchisees to solicit prospective TAB Members located in your Protected Territory to join TAB Boards (other than Prospect Exceptions and individuals running companies that have offices both within and outside your Protected Territory). There may be pre-existing TAB Business franchisees that do not have an exclusive territory and do not have marketing rights operating TAB Boards in your Protected Territory.

Ancillary Business Services

You may provide Ancillary Business services or products to your TAB Members. You may advertise your Ancillary Business services (see Item 16) in publications of general circulation within or outside of your Protected Territory if the advertisement does not refer to or contain any of the Trademarks or Licensed Methods. We may require you to submit advertising materials for your Ancillary Business services to us for prior approval and the advertising must be lawful and not violate any consumer protection laws.

No Options; Rights of First Refusal; No Right to Relocate

You have no option, right of first refusal or similar contractual right to acquire additional TAB Business franchises and no rights to purchase additional TAB Businesses. You have no rights to relocate your TAB Business. We will not consider you eligible to purchase additional TAB Businesses unless (1) you are in full compliance of your Franchise Agreement and the Operations Manual at all times, (2) you demonstrate to us, based on your tax returns for the previous year, that you meet the marketing threshold (see Item 11), and (3) you meet our then-current qualifications for franchisees.

Reservation Of Rights

To Us and Our Affiliates

The following rights are reserved to us, our affiliates and successors and assigns:

1. Except as stated in Section 2.1(b) of your Franchise Agreement, to use, and license the use of, the Licensed Methods for the operation of TAB Businesses inside or outside your Protected Territory;

2. To use, and license the use of, the Licensed Methods for the offering or provision of Supplemental Products and Services anywhere within or outside of your Protected Territory;

3. To use the Licensed Methods and Trademarks to market and conduct on an international, nationwide, regional or local basis, conventions, conferences, briefings, workshops or seminars for TAB Members or non-TAB Members, in person or through electronic media or other forms of communication, at any location within or outside of your Protected Territory;

4. To have direct communications, including, without limitation, conducting research surveys and testing programs with any party within or outside your Protected Territory. Such direct communications may include, but are not limited to, TAB or its designee contacting you, your TAB Members and any prospective TAB Members served by your TAB Business. You will cooperate by participating in such direct communications as we may reasonably request;

5. To offer, sell, and license or franchise others to offer and sell products and services that may use the Licensed Methods but do not involve forming or facilitating TAB Boards and do not use the Trademarks or words that are confusingly similar to the Trademarks (the “**Other Businesses**”). The Other Businesses may be marketed and sold to anyone at any location within and outside of your Protected Territory, including to your TAB Members, and may include, without limitation, business educational briefings, seminars, workshops, business coaching and consulting services provided to business leaders. We do not currently operate or offer Other Businesses;

6. To acquire businesses that are the same as or similar to the TAB Business and operate such businesses anywhere within or outside of your Protected Territory, and to be acquired by any third party which operates businesses that are the same as or similar to the TAB Business anywhere within or outside of your Protected Territory; and

7. To use alternative distribution channels, such as the Internet, to offer and sell products or services that may use the Licensed Methods under the Trademarks or other trademarks within or outside of your Protected Territory. We do not provide compensation to you for providing such products and services in your Protected Territory through alternative distribution channels.

To Allen E. Fishman

Mr. Fishman and his successors and assigns reserve the right to give talks, write books and otherwise communicate information in any form relating to the Licensed Methods and to use the Trademarks within or outside your Protected Territory.

To DCS

DCS and its successors and assigns reserve the right to use any of the methodology, aspects, elements or know-how of the SBL system, for any purpose, within or outside your Protected Territory. DCS does not have the right to use the SBL trademarks.

You will not be entitled to compensation from us, our affiliates, Mr. Fishman or DCS for any exercise of the reservations of rights described in this Item 12.

ITEM 13

TRADEMARKS

The Franchise Agreement grants you the nonexclusive right to use the Trademarks in your TAB Business. We own the Trademarks and we have registered or applied for registration of the following principal Trademarks with the United States Patent and Trademark Office on the Principal Register:

TAB TRADEMARKS

Trademark	Registration Number	Date of Registration	Affidavits	Renewal Status
ACHIEVE SUCCESS WITH PEER ADVICE AND COACHING	3,201,680	January 23, 2007	Combined Section 8 and 15 accepted February, 2013.	Not required as of the date of this Franchise Disclosure Document.
	3,201,681	January 23, 2007	Combined Section 8 and 15 accepted February, 2013.	Not required as of the date of this Franchise Disclosure Document.
TAB	3,161,296	October 24, 2006	Combined Section 8 and 15 accepted November, 2012.	Not required as of the date of this Franchise Disclosure Document.
TAB BOARDS	2,812,223	February 10, 2004	Combined Section 8 and 15 filed on February 2, 2010.	Combined Section 8 and 9 accepted February 24, 2014.
TAB BOARDS REWARDS	3,000,076	September 27, 2005	Combined Section 8 and 15 filed on September 27, 2011.	Not required as of the date of this Franchise Disclosure Document.
TAB BUSINESS VANTAGE	2,972,404	July 19, 2005	Combined Section 8 and 15 filed on August 31, 2011.	Not required as of the date of this Franchise Disclosure Document.
TALKTAB	3,201,678	January 23, 2007	Combined Section 8 and 15 accepted February, 2013.	Not required as of the date of this Franchise Disclosure Document.
THE ALTERNATIVE BOARD	2,326,459	March 7, 2000	Combined Section 8 and 15 filed on	Combined Section 8 and 9 filed on

Trademark	Registration Number	Date of Registration	Affidavits	Renewal Status
			January 25, 2006.	February 9, 2010.
THE ALTERNATIVE BOARD TAB	1,669,689	December 24, 1991	Combined Section 8 and 15 filed on March 17, 2007.	Section 8 and 9 filed on December 27, 2011.
TIPS FROM THE TOP	2,085,944	August 5, 1997	Combined Section 8 and 15 filed on February 11, 2003.	Section 8 and 9 filed on November 14, 2006.
TAB EMERGING ENTREPRENEUR BOARD	3,569,356	February 3, 2009	Combined Section 8 and 15 accepted February, 2014.	Not required as of the date of this Franchise Disclosure Document.

SBL TRADEMARKS

Trademark	Registration Number	Date of Registration	Affidavits	Renewal Status
STRATEGIC BUSINESS LEADERSHIP	2,512,533	November 27, 2001	Combined Section 8 and 15 filed on March 8, 2007.	Section 8 and 9 accepted December, 2011.

There are no material determinations of the United States Patent and Trademark Office, the Trademark Trial and Appeal Board or any state trademark administrator or court of any pending infringement, opposition or cancellation proceeding. There is no pending material federal or state court litigation regarding our use or ownership of the Trademarks. There are no agreements that significantly limit our rights to use or license the Trademarks. We do not know of any prior rights or infringing uses that could materially affect your use of the Trademarks.

You will follow our rules when you use the Trademarks. Guidelines regarding proper trademark use and notices are in the Operations Manual and will be updated periodically in our discretion. You will not use our Trademarks or trade names as part of a corporate name. You will not use any of our trademarks or trade names that we have not licensed to you under the Franchise Agreement and you will not use the Trademarks or trade names that we license to you with any modifying words, designs or symbols. You will not use the Trademarks to sell unauthorized products or services or in a manner we have not authorized. You will not use the Trademarks or our trade names in any business other than your TAB Business and you will not use the Trademarks or our trade names (or anything similar thereto) in any domain name that we have not licensed to you or on the Internet (except for the Satellite Website that we license to you).

You will notify us immediately when you learn about an infringement of or challenge to your use of the Trademarks. We are not required to take affirmative action when notified of such infringement and we are not contractually obligated by the Franchise Agreement to protect you against claims of

infringement or unfair competition involving the Trademarks, but it is our policy to do so when, in the opinion of our counsel, your rights require protection. We will pay costs, including attorneys' fees and court costs, associated with any litigation that we elect to bring or defend to protect your use of the licensed Trademarks. We do not indemnify you for expenses or damages you incur. You will fully cooperate with us in any litigation we bring or defend for your benefit. We will control any administrative proceeding or litigation involving the Trademarks.

If we determine in our discretion that it is necessary to modify or discontinue use of all or any part of the Trademarks, or to develop additional or substitute marks, you will, within a reasonable time after receipt of our written notice of such modification, discontinuation, addition or subtraction, take such actions at your sole expense as is necessary to comply with such modification, discontinuation, addition, or substitution.

ITEM 14

PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

Patents

We do not have any patents or pending patent applications that are material to the TAB Business.

Copyrights

Our Operations Manual and all other manuals, systems, binders, logos, designs, marketing materials, layouts of advertising materials, books, writings, recordings, videos, software, web content, electronic files, printed materials, Licensed Methods and all revisions, modifications, changes and derivatives of these materials that we provide to you for use in your TAB Business (collectively, the "**Copyrighted Materials**") are protected by copyright and other laws. Although we have not filed an application for copyright registration for the Copyrighted Materials, we claim common law and federal copyrights and trade secret rights in the Copyrighted Materials. We grant you the right to use the Copyrighted Materials in your TAB Business, but such Copyrighted Materials remain our sole property. There are no currently effective material determinations of the United States Copyright Office or any court of competent jurisdiction regarding the Copyrighted Materials. There are no agreements that limit the use of the Copyrighted Materials. You will use copyright, confidentiality or other proprietary notices on all the Copyrighted Materials.

Proprietary Information

The Operations Manual, electronic information and communications, marketing, advertising and related information and materials, data bases (whether in print, electronic, or other form), Membership Information (as defined below), the Licensed Methods and other information (written or oral) developed and used in connection with the TAB Business, are our confidential information and trade secrets (collectively, the "**Confidential Information and Trade Secrets**").

"**Membership Information**" means all aspects of soliciting new TAB Members, written agreements with TAB Members, TAB Member lists, TAB Member information and records (including names, addresses, phone numbers and e-mail addresses), marketing lists, documents, correspondence, files, lists of renewal dates, rates and literature of whatever form regarding TAB Boards, TAB Members or prospective TAB Members with whom you discussed or have had an appointment to discuss any of the Licensed Methods, in the past, present, or future. The term "Membership Information" does not include

your work product not involving or related to the TAB Business or matters related solely to an Ancillary Business.

The Licensed Methods include the SBL system, TAB system, TAB Business Vantage[®] tool, Strategic Business Leadership[®] program, Copyrighted Materials and Confidential Information and Trade Secrets. The SBL system includes the proprietary methods, system and process of providing business planning coaching, including the know-how, trade secrets and materials associated with SBL coaching, as they may be changed, improved, modified and further developed by us or our affiliates from time to time. The TAB system includes the proprietary methods, process and system to operate a TAB Business, including our know-how, trade secrets, materials and methods for operating a TAB Business as may be changed, improved, modified and further developed by us or our affiliates from time to time. “**TAB Business Vantage[®]**” tool means our proprietary methods used for analyzing a TAB Member’s business. “**Strategic Business Leadership[®]**” program means our proprietary program used in association with the SBL system and SBL coaching.

We own the Confidential Information and Trade Secrets and all records relating to the Confidential Information and Trade Secrets. We may use or transfer the Confidential Information and Trade Secrets in any way we wish, both before and after any termination, expiration, repurchase, transfer or otherwise. We may contact any or all of your TAB Members, suppliers and other service providers for quality control, market research and such other purposes, as we deem appropriate, in our discretion.

You will not use, publish, disclose, divulge or in any manner communicate the Confidential Information and Trade Secrets to any person, firm, corporation, association, partnership or any other entity in any manner other than for your TAB Business and then only as we permit. You will not use, copy or imitate, or allow any other person, firm, corporation, association, partnership or other entity to use, copy or imitate, any of the Confidential Information and Trade Secrets or any materials confusingly similar to the Confidential Information and Trade Secrets in any manner other than for your TAB Business, and then only as we permit. You, your Managing Party and each of your officers, owners, directors, employees, other beneficial owners, Facilitators and immediate family members who become aware of the Confidential Information and Trade Secrets will execute the Non-Disclosure and Non-Competition Agreement attached to the Franchise Agreement as Exhibit IV.

If you, your Managing Party, owners, directors, other beneficial owners or Facilitators develop any new intellectual property, inventions, copyrights, trade secrets, concepts, processes, products, or improvements to the operation or promotion or otherwise in relation to the TAB Business (collectively, the “**Improvements**”), you will promptly notify us and give us all necessary information relating thereto, at no charge. The Improvements will be our property and you, your Managing Party, owners, directors, other beneficial owners, or Facilitators will sign an assignment of such Improvements to us. We may allow other franchisees to use the Improvements and we may allow you to use Improvements derived from other franchisees.

We do not know of any copyright or patent infringement that could materially affect your use of the Copyrighted Materials or Confidential Information and Trade Secrets.

Challenges

You will notify us immediately when you learn about an infringement of or challenge to your use of the Copyrighted Materials or Confidential Information and Trade Secrets. We are not required to take affirmative action when notified of such infringement and we are not contractually obligated by the Franchise Agreement to protect you against claims of infringement or unfair competition involving the Copyrighted Materials or Confidential Information and Trade Secrets, but it is our policy to do so when,

in the opinion of our counsel, your rights require protection. We will pay costs, including attorneys' fees and court costs, associated with any litigation that we elect to bring or defend to protect your use of the Copyrighted Materials or Confidential Information and Trade Secrets. We do not indemnify you for expenses or damages you incur. You will fully cooperate with us in any litigation we bring or defend for your benefit. We will control any administrative proceeding or litigation involving the Copyrighted Materials or Confidential Information and Trade Secrets.

If we determine in our discretion that it is necessary to modify or discontinue use of any proprietary Copyrighted Materials or Confidential Information and Trade Secrets, you will, within a reasonable time after receipt of our written notice of modification, discontinuation, addition or substitution, take such action, at your sole expense, as may be necessary to comply with such modification, discontinuation, addition, or substitution.

Any unauthorized use of any of the Copyrighted Materials or Confidential Information and Trade Secrets by you constitutes an infringement of our or our affiliate's rights.

ITEM 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

If you are a partnership, corporation, limited liability company or other legal entity, you will designate one owner, member or officer (the "**Managing Party**") who will have management responsibility for operating your TAB Business. You or your Managing Party will use best efforts to develop the TAB Business and will be personally responsible for the management and supervision of the TAB Business on a day-to-day basis. Your Managing Party must own 51% of your TAB Business or you (if you are an entity or partnership).

You may qualify to engage a Facilitator to form TAB Boards, facilitate your TAB Boards and provide SBL coaching. You must meet our requirements before you will be permitted to appoint Facilitators. These requirements include that (1) you or your Managing Party facilitate at least one TAB Board per month, (2) you notify us in writing that you desire to appoint a Facilitator, (3) your Facilitators attend and satisfactorily complete the Facilitator Training (see Item 11), and (4) you provide us with a copy of a fully-executed contract facilitator agreement (the "**Contract Facilitator Agreement**") in our then-current form. You will pay your Facilitators. You will follow our guidelines in the Operations Manual for Facilitators. You are expressly prohibited from granting a sub-franchise or business opportunity to a Facilitator.

You, your Managing Party and each of your officers, owners, directors, employees, other beneficial owners, Facilitators and immediate family members who become aware of our Confidential Information and Trade Secrets will enter into a Non-Disclosure and Non-Competition Agreement with us in the form attached to the Franchise Agreement as Exhibit IV. Each of your owners, beneficial owners, Managing Party, officers and directors must sign an agreement, in the form attached to the Franchise Agreement as Exhibit III, personally guaranteeing and agreeing to perform certain of your obligations under the Franchise Agreement.

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

Standards; Specifications; Restrictions

To ensure that the highest degree of quality and service is maintained, you will operate the TAB Business in strict conformity with the methods, standards and specifications in the Operations Manual and as we may otherwise require in writing. The Operations Manual also describes the services and products that you will offer and sell in your TAB Business and our designated manufacturers, suppliers and distributors (see Item 8). We have the right to change the types of authorized services and products and designated manufacturers, suppliers and distributors and there are no limits to our right to do so.

You will not sell unauthorized services and products in your TAB Business or using our Trademarks or Licensed Methods on unauthorized services and products or outside of your TAB Business. You will not deviate from our standards and specifications without our written consent. You will discontinue selling and offering for sale any services and products that we disapprove in writing at any time.

You will not conduct TAB Board Meetings outside of the TAB Business or via television, cable, network, telephone, telecommunications device, computer or computer modem, closed circuit or satellite transmission or by technological means or methods in use now or developed in the future, without our written approval, which approval may be withheld for any reason.

You will not reship, transship, or sell any products purchased from us to any of our current or former franchisees or distributors or any reseller of the products, either within or outside of the United States. You will not purchase products from any of our current or former franchisees without our prior consent. You will sell the products purchased through us only through your TAB Business. You will not sell the products for re-sale.

The SBL system, TAB system, Strategic Business Leadership[®] program and TAB Business Vantage[®] tool will only be used with TAB Members.

You will offer the warranties and guarantees to your qualifying TAB Members and prospective TAB Members that we require from time to time, including our performance guarantee. You may offer other warranties or guarantees in your TAB Business. You will honor all proper claims under any authorized warranties and guarantees in accordance with the terms and conditions of any such warranties or guarantees.

Ancillary Business Services

You and/or your Facilitators may offer and advertise Ancillary Business services within or outside your Protected Territory as long as (1) you do not use the Licensed Methods or Trademarks, (2) the Ancillary Business services do not constitute a Competitive Activity (as defined below), and (3) the Ancillary Business services do not, in our sole opinion, harm or disparage the goodwill associated with the TAB Business, the Trademarks or the Licensed Methods.

A “**Competitive Activity**” means the following:

1. Offering services and products that are the same as, similar to, or competitive with the Licensed Methods or TAB Business;

2. Marketing or facilitating groups of business leaders, which group meetings are the same as or similar in nature to TAB Boards;

3. Providing regularly-scheduled private coaching sessions, mentoring or providing strategic planning services for business leaders, business executives and/or their planning teams that use processes, methods or systems that are the same as or similar in nature to those processes, methods or systems that are used by the SBL system;

4. Providing services of the type we or our affiliates provide where those services are provided in relation to businesses of the type described in (1) to (3) above;

5. Owning, whether directly or indirectly, and whether beneficially or of record, any capital stock, partnership interest, membership interest or any other interest in a business or entity that engages in the activities described in (1) to (4) above;

6. Participating, either directly or indirectly, in the management or operation of a business as a partner, investor, shareholder, owner, director, officer, employee, principal, agent, advisor, contractor or consultant or in any other capacity of any entity, business or person that engages in the activities described in (1) to (4) above;

7. Franchising, licensing, conducting, or connecting with or assisting any person, entity or business to franchise, license, conduct or be connected with the activities described in (1) to (4) above; or

8. Diverting or attempting to divert, directly or indirectly, any business related to, or any customer or account of, your TAB Business, us, our affiliates, any other business we operate, our franchisees or licensees, Other Business, or any other business then being offered or operated by us or our affiliates in your Protected Territory, or diverting or attempting to divert, directly or indirectly, the employment of any of our employees or Facilitators, or those of another TAB franchisee, licensee or TAB affiliate, to any entity to conduct activities described above.

Supplemental Products and Services

We may offer you the option to offer Supplemental Products and Services through your TAB Business. If you elect to purchase or utilize Supplemental Products and Services, you may be required to attend training or make specified purchases of products or services offered in connection with the Supplemental Products and Services. There may be fees and minimums payable in addition to those in the Franchise Agreement for the right to offer, purchase or utilize Supplemental Products and Services. We do not currently collect any Royalty Fees on any Supplemental Products and Services, but we reserve the right to do so in the future.

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ITEM 17

**RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION
THE FRANCHISE RELATIONSHIP**

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

Provision	Section in Franchise Agreement	Summary
a) Length of Franchise Term	Section 3.1.	Seven years from your Start of Business Operations or ten years from your Start of Business Operations, at your election.
b) Renewal or Extension of the Term	Sections 3.2 and 4.1.	You may renew your right to operate a TAB Business for successive consecutive year terms equal to the initial term period you select (seven or ten years).
c) Requirements for Franchisee to Renew or Extend	Section 4.1.	Requirements include, but are not limited to, providing written notice, signing the then-current Franchise Agreement, paying the renewal fee, not being in default of any agreements, (including the Franchise Agreement) with us or our affiliates, completing any required refresher training, and executing a release. The then-current Franchise Agreement you may be required to sign may have materially different terms and conditions than the original Franchise Agreement.
d) Termination by Franchisee	Sections 3.3 and 5.2.	You may terminate after three years of operation by paying 27% of your remaining Monthly Minimum Royalty payments.
e) Termination by Franchisor Without Cause	None.	Not applicable.
f) Termination by Franchisor with Cause	Sections 17.2 and 17.3.	Each of your obligations under the Franchise Agreement is a material and essential obligation, the breach of which may result in a termination.
g) "Cause" Defined – Curable Defaults	Sections 17.2.	Curable defaults include, but are not limited to, your failure to pay any sums owed to us or our affiliates within seven days after notice, your failure to perform your obligations under the Franchise Agreement within thirty days (or such other period as may be provided under specific state law or the Franchise Agreement) after notice, your misrepresentation of information in connection with the Franchise Agreement and failure to cure within

Provision	Section in Franchise Agreement	Summary
		<p>thirty days (or such other period as may be provided under specific state law or the Franchise Agreement) after notice, your misuse of the Trademarks or Licensed Methods and failure to cure within thirty days (or such other period as may be provided under specific state law or the Franchise Agreement) after notice, or your use of a Facilitator who has not signed an approved Contract Facilitator Agreement, not satisfactorily completed the Facilitator Training, is unqualified to serve as a Facilitator, or has made payments to you and failure to cure within thirty days (or such other period as may be provided under specific state law or the Franchise Agreement) after notice.</p>
<p>h) "Cause" defined – non-curable defaults</p>	<p>Section 17.3.</p>	<p>Non-curable defaults include, but are not limited to, conviction of a felony or any other criminal misconduct that adversely affects your TAB Business, Licensed Methods, us, our affiliates, TAB franchisees or licensees, fraudulent activity, misrepresentation of information you are required to report, conduct that reflects unfavorably on your TAB Business, other franchisees, licensees, Licensed Methods, us or our affiliates, abandonment of your TAB Business, failure to pay sums when due if such failure is not cured within seven days, failure to pay any amounts due to us on their due date two or more times within a twelve month period, three or more failures or refusals to comply with the provisions of the Franchise Agreement within a twelve month period, you, your Managing Party or one or more guarantors become insolvent, subject to bankruptcy proceedings, or subject to a general assignment for benefit of creditors, diversion, concealment or failure to report any recruiting for TAB members in violation of the Franchise Agreement, collecting directly from TAB Members any Membership Dues, Business Assessment Fees or other fees from TAB Members without our approval, you, your affiliates or persons identified in the Franchise Agreement engage in Competitive Activity, challenge or attempt to register a patent, trademark, or copyright of any</p>

Provision	Section in Franchise Agreement	Summary
		of the Licensed Methods, Trademarks, or other proprietary information we provide to you, misusing the Licensed Methods, Trademarks, Satellite Website, or other proprietary materials we provide to you, intentionally or negligently disclosing to unauthorized persons the Operations Manual, Licensed Methods or other proprietary information we provide to you, violation of the transfer provisions, using TAB franchisee, licensee, affiliate or TAB Member information in a manner prohibited by the Franchise Agreement, failure to satisfactorily complete the Initial Training Program or advanced business development training, misrepresentation or violation of Anti-Terrorism Laws, any unsatisfied, material judgment, creation of a sub-franchise, or commission of a default that by its nature is not curable.
i) Franchisee's Obligations on Termination/Non-Renewal	Section 17.6.	Obligations include, but are not limited to, destroying or returning the TAB Promotional Materials, all materials bearing the Trademarks and all material constituting the Licensed Methods and the Operations Manual, de-identifying, cancelling fictitious names, complying with the confidentiality and non-compete requirements, and signing a release.
j) Assignment of Contract by Franchisor	Section 16.1.	No restrictions.
k) "Transfer" by Franchisee – Defined	Sections 16.2, 16.3, 16.4 and 16.5.	Includes transfer of interest in you, your merger, consolidation, or transfer in bankruptcy, any change of control or management of your TAB Business, transfer of your assets used in your TAB Business or assignment of the Franchise Agreement.
l) Franchisor's Approval of Transfer by Franchisee	Section 16.3.	We must approve all transfers.
m) Conditions for Franchisor's Approval of Transfer	Section 16.3.	Conditions include, but are not limited to, your compliance with the Franchise Agreement, the transferee's satisfactory completion of the Initial Training Program or other training program we determine, the transferee signing our then-current Franchise Agreement, payment of any transfer fee and any additional fees (such as broker commissions, resale fees and internal sales commissions), your execution of a release, and the transferee meeting our

Provision	Section in Franchise Agreement	Summary
		then-current standards to operate a TAB Business.
n) Franchisor's Right of First Refusal to Acquire Franchisee's Business	Section 16.8.	We can match any offer.
o) Franchisor's Option to Purchase Franchisee's Business	None.	Not applicable.
p) Death or Disability of Franchisee	Section 16.6.	Your TAB Business must be transferred to a third party we approve within one-hundred-eighty days. You must appoint an approved interim manager within fifteen days.
q) Non-Competition Covenants During the Term of the Franchise	Section 14.2.	You will not engage, directly or indirectly, in any Competitive Activity anywhere. You will not market for TAB Members outside your Protected Territory (except for Prospect Exceptions).
r) Non-Competition Covenants After the Franchise is Terminated or Expires	Section 14.2.	Covenants include, but are not limited to, not operating or having an ownership interest in a similar business that engages in Competitive Activity in the Protected Territory or within twenty-five miles of the Protected Territory or the Protected Territory of another TAB Business that we, another franchisee, a licensee or our affiliates operates, or within twenty-five miles of where a TAB Board meets.
s) Modification of the Agreement	Section 21.13.	No modifications generally, but the Operations Manual may change.
t) Integration/Merger Clause	Section 21.13.	Any representations made outside the Franchise Disclosure Document and Franchise Agreement may not be enforceable. Only the terms of the Franchise Agreement are binding (subject to state law). Any representations or promises made outside the Disclosure Document and Franchise Agreement may not be enforceable.
u) Dispute Resolution by Arbitration or Mediation	Sections 18.1(b) and(c).	Except for actions brought for injunctive or extraordinary relief, the following actions are subject to mediation: actions involving the Trademarks or other intellectual property, violations of the non-compete and confidentiality requirements, or actions solely limited to monetary obligations under the Franchise Agreement, other agreement relating to the TAB Business or relationship. If there is no resolution, then arbitration in Denver, Colorado or the city nearest to TAB headquarters.
v) Choice of Forum	Sections 18.2, 18.3 and 18.10.	The venue for all proceedings related to

Provision	Section in Franchise Agreement	Summary
		or existing out of the Franchise Agreement is Denver, Colorado or the city nearest to TAB headquarters.
w) Choice of Law	Section 18.5.	Colorado law applies (subject to state law) (see the State Law Addenda and Rider, Exhibit J).

If a state regulator requires us to make additional disclosures related to the information contained in this Franchise Disclosure Document, these additional disclosures are contained in a State Law Addenda and Rider included in this Franchise Disclosure Document as Exhibit J.

ITEM 18

PUBLIC FIGURES

We do not use any public figures to promote our franchises.

ITEM 19

FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the Franchise 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 Item 19, for example, by providing information about performance of a particular location or under particular circumstances.

Your gross Membership Dues, Business Assessment Fees, SBL coaching fees, Additional Income from the TAB Opportunity, average and median monthly Membership Dues and Business Assessment Fees, average and median TAB Member retention rates and number of hours to service a TAB Board may differ from the results stated in the financial performance representation. There is no assurance you will earn as much. Actual results may vary among franchise owners and depend upon a variety of internal and external factors, many of which neither we nor any prospective franchisee can estimate, such as competition, economic climate, demographics, and changing consumer demands, consulting opportunities and tastes. Your ability to achieve any particular gross Membership Dues, Business Assessment Fees, SBL coaching fees, Additional Income from the TAB Opportunity, average and median monthly Membership Dues and Business Assessment Fees, average and median TAB Member retention rates, hours to service a TAB Board, sales levels, expense ratios, or net income will depend on these factors and others, including your level of expertise, none of which are within our control. We cannot, and do not, estimate the results of any particular franchise. **Some franchisees have sold these amounts. Your individual results may differ. There is no assurance you will sell as much.** You should carefully review this data.

Written substantiation for this data is available for inspection at our corporate headquarters and will be provided upon reasonable request.

CHART ONE

**GROSS MEMBERSHIP DUES, BUSINESS ASSESSMENT FEES AND
SBL COACHING FEES FOR 2015 FOR TAB BUSINESS FRANCHISEES**

Quartile	Gross Annual Membership Dues, Business Assessment Fees, and SBL Coaching Fees			Number of Franchisees in Quartile
	Range	Average	Median	
FIRST	\$165,298.00 to \$638,551.00	\$310,556.00	\$268,475.00	21
SECOND	\$93,195.00 to \$156,125.00	\$120,023.00	\$113,583.00	21
THIRD	\$52,400.00 to \$86,770.00	\$70,598.00	\$68,550.00	21
FOURTH	\$8,150.00 to \$52,210.00	\$29,504.00	\$31,243.00	22

CHART TWO

**ADDITIONAL INCOME FROM THE TAB OPPORTUNITY FOR 2015
FOR TAB BUSINESS FRANCHISEES**

Quartile	Additional Income from the TAB Opportunity			Number of Franchisees in Quartile
	Range	Average	Median	
FIRST	\$85,000.00 to \$328,047.00	\$161,382.00	\$140,000.00	13
SECOND	\$30,000.00 to \$78,000.00	\$47,825.00	\$50,000.00	13
THIRD	\$10,000.00 to \$28,000.00	\$21,197.00	\$21,125.00	13
FOURTH	\$0.00 to \$10,000.00	\$2,836.00	\$1,250.00	13

CHART THREE

**COMBINED GROSS MEMBERSHIP DUES, BUSINESS ASSESSMENT FEES, SBL
COACHING FEES AND ADDITIONAL INCOME FROM THE TAB OPPORTUNITY FOR 2015
FOR TAB BUSINESS FRANCHISEES**

Quartile	Combined Gross Membership Dues, Business Assessment Fees, SBL Coaching Fees and Additional Income from the TAB Opportunity			Number of Franchisees in Quartile
	Range	Average	Median	
FIRST	\$284,684.00 to \$804,232.00	\$493,167.00	\$405,600.00	13
SECOND	\$143,551.00 to \$274,415.00	\$203,378.00	\$199,855.00	13
THIRD	\$111,665.00 to \$140,120.00	\$123,714.00	\$121,195.00	13
FOURTH	\$45,512.00 to \$111,135.00	\$79,950.00	\$80,965.00	13

CHART FOUR

**A. AVERAGE AND MEDIAN MONTHLY MEMBERSHIP DUES
FOR TAB BUSINESS FRANCHISEES**

Franchisees	Average Amount of Fees	Median Amount of Fees
TOP 25%	\$740.00	\$695.00
TOP 50%	\$657.00	\$625.00
TOTAL GROUP	\$519.00	\$500.00

**B. AVERAGE AND MEDIAN BUSINESS ASSESSMENT FEES
FOR TAB BUSINESS FRANCHISEES**

Franchisees	Average Amount of Fees	Median Amount of Fees
TOP 25%	\$791.00	\$750.00
TOP 50%	\$664.00	\$650.00
TOTAL GROUP	\$487.00	\$500.00

CHART FIVE

**AVERAGE AND MEDIAN LENGTH OF MEMBERSHIP FOR
TAB BUSINESS FRANCHISEES**

Franchisees	Average Length of Membership	Median Length of Membership
TOP 25%	9.9 years	9.2 years
TOP 50%	7.1 years	6.2 years
TOTAL GROUP	4.1 years	2.7 years

CHART SIX

AVERAGE AND MEDIAN NUMBER OF MEMBERS

Franchisees	Average Number of Members	Median Number of Members
TOP 25%	52	47
TOP 50%	38	33
TOTAL GROUP	24	19

CHART SEVEN

**AVERAGE AND MEDIAN MONTHLY ESTIMATED HOURS SPENT BY TAB BUSINESS
FRANCHISEES AND FACILITATORS PROVIDING SERVICES TO ONE TAB BOARD WITH
EIGHT TAB MEMBERS**

AVERAGE ESTIMATED HOURS PER MONTH	MEDIAN ESTIMATED HOURS PER MONTH
23.1	22

Notes:

1. The data is a representation of historic financial performance.
2. Chart One is based on a subset of our domestic franchisees that have operated a TAB Business for at least twelve months from their Start of Business Operations date and have not relinquished their Protected Territory and marketing rights prior to or during the 2015 calendar year. The data also does not include any company-owned TAB Businesses or franchisees that ceased operating their TAB Businesses during the 2015 calendar year. All of the domestic franchisees within the subset described in this Note 2 are included in the financial performance data in this Item 19. The total number of domestic franchisees

as of December 31, 2015, with a Start of Business date of 2014 or earlier that have operated for at least twelve months is 98. Of the 98 franchisees, 85 are included within the subset described in Note 2. We did not count franchisees that own multiple TAB Businesses more than once in the chart. The total number of franchisees excluded from the first chart is 13. The information reported is the range of gross Membership Dues, Business Assessment Fees and SBL coaching revenue we collected on behalf of the subset of franchisees as of December 31, 2015.

3. Chart Two is based on a subset of our domestic franchisees that reported their Additional Income from the TAB Opportunity for calendar year 2015, have operated a TAB Business franchise for at least twelve months from their Start of Business Operations date, have a Start of Business Operations date that is no later than 2014 and have not relinquished their Protected Territory and marketing rights prior to or during the 2015 calendar year. These amounts reported by our franchisees are not audited. We request this information by an annual survey. The total number of domestic franchisees as of December 31, 2015, with a Start of Business date of 2014 or earlier is 98. There are 52 franchisees (53%) that reported their Additional Income from the TAB Opportunity for 2015. There is one outlier franchisee that reported \$591,550.00 in Additional Income from the TAB Opportunity. We only included \$328,047.00 of the amount reported.

4. Chart Three is based on a subset of our domestic franchisees that are included in both the first chart and the second chart. The total number of franchisees as of December 31, 2015, with a Start of Business date of 2014 or earlier is 98. The subset of our franchisees that are included in both Chart One and Chart Two is 52. All 52 franchisees are included in the subset described in Note 4.

5. Chart Four (A) is based on a subset of domestic TAB Members that were invoiced in February 2016. The subset excludes (1) TAB Members that are on scholarship (we define scholarship as TAB Members that pay monthly Membership Dues in the amount of \$100.00 or less, or those TAB Members identified as scholarship by the franchisee), and (2) TAB Members that only receive SBL coaching and do not participate in a TAB Board. The total number of TAB Members that met the subset described in this Note is 1,913. The number of TAB Members that met or exceeded the average monthly Membership Dues is 956 (49%).

Chart Four (B) is based on a subset of the number of domestic TAB Members that joined during calendar years 2013, 2014 and 2015 (the “**Time Period**”). The total number of TAB Members that joined during the Time Period is 1,841. The Business Assessment Fees are based on the amounts stated in their member application. The subset excludes TAB Members that did not pay a Business Assessment Fee (not included in the Business Assessment Fee chart). For the average Business Assessment Fees, the total number of TAB Members that joined during the Time Period and met the subset described in this Note is 1,332. The number of TAB Members that paid Business Assessment Fees in amounts equal to or greater than the average is 706 (53%).

6. Chart Five includes all domestic TAB Members that have not resigned as of December 31, 2015. Of the total number of non-resigned TAB Members, 41%, 41% and 38% met or exceeded the average length of membership for the Top 25%, Top 50% and Total Group, respectively.

7. Chart Six is based on the same subset of our domestic franchisees that was used for Chart 1.

8. Chart Seven is based on a survey of franchisees, corporate facilitators, Facilitators and Independent Facilitator Coaches (collectively, the “**Responding Facilitators**”) taken in 2014. The estimated hours reported by Responding Facilitators are not audited. 229 Responding Facilitators received the survey. Responses to the survey were provided on an anonymous basis. Not all of the Responding Facilitators that received the survey are still in the TAB system. 94 (41%) of the 229

Responding Facilitators that received the survey provided their estimate of the number of hours it takes to provide services to a single TAB Board with eight TAB Members. For purposes of the survey, servicing one TAB Board of eight TAB Members includes the time to run a TAB Board meeting, the time to conduct individual coaching sessions with a TAB Board Member, preparation time and commuting time.

CHART EIGHT

**GROSS MEMBERSHIP DUES, BUSINESS ASSESSMENT FEES, AND
SBL COACHING FEES FOR AREA DEVELOPERS' TAB BUSINESSES FOR 2015**

Area Developer	Gross Annual Membership Dues, Business Assessment Fees, and SBL Coaching Fees
Brian Nelson	\$638,551.00
Jackie Gernaey	\$453,334.00
Joseph Zente	\$476,185.00
Robert Marro	\$113,583.00
Bernard Moscovitz	\$93,195.00
Jeffrey Raynor	\$63,130.00

CHART NINE

**ADDITIONAL INCOME FROM THE TAB OPPORTUNITY FOR
AREA DEVELOPERS' TAB BUSINESSES FOR 2015**

Area Developer	Additional Income from the TAB Opportunity
Joseph Zente	\$591,550.00
Jackie Gernaey	\$328,047.00
Brian Nelson	\$94,150.00
Jeffrey Raynor	\$52,829.00
Robert Marro	\$38,000.00
Bernard Moscovitz	\$28,000.00

Notes:

1. Charts Eight and Nine are based on a subset of our area developer franchisees in the United States that have operated a TAB Business franchise for at least twenty-four months from their Start of Business Operations. The data does not include any company-owned TAB Businesses or area developer franchisees that have not operated a TAB Business for at least twenty-four months or area developer franchisees that have not yet attended training. There are six area developers in the United States as of March, 2015 which all are included within the subset described in this Note 1.

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ITEM 20

OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
System-Wide Outlet Summary – TAB Businesses
For Years 2013 to 2015

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	120	127	+7
	2014	127	132	+5
	2015	132	128	-4
Company-owned	2013	5	7	+2
	2014	7	8	+1
	2015	8	14	+6
Total Outlets	2013	125	134	+9
	2014	134	140	+6
	2015	140	142	+2

These figures are current through December 31, 2015.

Table No. 2
Transfers of Outlets From Franchisees to New Owners (other than the Franchisor) – TAB Businesses
For Years 2013 to 2015

Column 1	Column 2	Column 3
State	Year	Number of Transfers
British Columbia, Canada	2013	0
	2014	0
	2015	0
Manitoba, Canada	2013	0
	2014	0
	2015	0
Ontario, Canada	2013	0
	2014	0
	2015	1
Caracas, Venezuela	2013	0
	2014	0
	2015	0
Alabama	2013	0
	2014	0
	2015	0
Alaska	2013	0
	2014	0
	2015	0
Arizona	2013	0
	2014	0

Column 1 State	Column 2 Year	Column 3 Number of Transfers
	2015	0
Arkansas	2013	0
	2014	0
	2015	0
California	2013	0
	2014	1
	2015	0
Colorado	2013	0
	2014	0
	2015	0
Connecticut	2013	0
	2014	0
	2015	1
Delaware	2013	0
	2014	0
	2015	0
Florida	2013	0
	2014	0
	2015	0
Georgia	2013	0
	2014	0
	2015	2
Hawaii	2013	0
	2014	0
	2015	0
Idaho	2013	0
	2014	0
	2015	0
Illinois	2013	1
	2014	0
	2015	0
Indiana	2013	0
	2014	0
	2015	0
Iowa	2013	0
	2014	0
	2015	0
Kansas	2013	0
	2014	0
	2015	0
Kentucky	2013	0
	2014	0
	2015	0
Louisiana	2013	0
	2014	0
	2015	0
Maine	2013	0

Column 1 State	Column 2 Year	Column 3 Number of Transfers
	2014	0
	2015	0
Maryland	2013	0
	2014	0
	2015	0
Massachusetts	2013	0
	2014	0
	2015	1
Michigan	2013	0
	2014	0
	2015	0
Minnesota	2013	0
	2014	0
	2015	0
Mississippi	2013	0
	2014	0
	2015	0
Missouri	2013	0
	2014	0
	2015	0
Montana	2013	0
	2014	0
	2015	0
Nebraska	2013	0
	2014	0
	2015	0
Nevada	2013	0
	2014	0
	2015	1
New Hampshire	2013	0
	2014	0
	2015	0
New Jersey	2013	0
	2014	0
	2015	2
New Mexico	2013	0
	2014	0
	2015	0
New York	2013	0
	2014	0
	2015	0
North Carolina	2013	1
	2014	0
	2015	0
North Dakota	2013	0
	2014	0
	2015	0

Column 1 State	Column 2 Year	Column 3 Number of Transfers
Ohio	2013	0
	2014	0
	2015	0
Oklahoma	2013	0
	2014	0
	2015	0
Oregon	2013	0
	2014	0
	2015	0
Pennsylvania	2013	0
	2014	1
	2015	1
Rhode Island	2013	0
	2014	0
	2015	0
South Carolina	2013	0
	2014	1
	2015	0
South Dakota	2013	0
	2014	0
	2015	0
Tennessee	2013	0
	2014	0
	2015	1
Texas	2013	0
	2014	0
	2015	2
Utah	2013	1
	2014	0
	2015	1
Vermont	2013	0
	2014	0
	2015	0
Virginia	2013	0
	2014	0
	2015	0
Washington	2013	0
	2014	0
	2015	0
West Virginia	2013	0
	2014	0
	2015	0
Wisconsin	2013	0
	2014	0
	2015	0
Wyoming	2013	0
	2014	0

Column 1 State	Column 2 Year	Column 3 Number of Transfers
	2015	0
Total	2013	4
	2014	3
	2015	13

These figures are current through December 31, 2015.

Table No. 3
Status of Franchised Outlets – TAB Businesses
For Years 2013 to 2015

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of Year	Col. 4 Outlets Opened	Col. 5 Termina- tions	Col. 6 Non- Renewals	Col. 7 Reacquired by Franchisor	Col. 8 Ceased Operations – Other Reasons*	Col. 9 Outlets at End of the Year
Alabama	2013	0	2	0	0	0	0	2
	2014	2	0	0	0	0	0	2
	2015	2	0	0	0	0	0	2
Arizona	2013	0	1	0	0	0	0	1
	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
Arkansas	2013	0	1	0	0	0	0	1
	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	1	0
California	2013	5	1	0	0	0	1	5
	2014	5	4	0	0	0	1	8
	2015	8	1	0	0	0	2	7
Colorado	2013	6	2	0	0	0	0	8
	2014	8	0	0	0	0	0	8
	2015	8	0	0	0	0	0	8
Connecticut	2013	3	0	0	0	0	0	3
	2014	3	1	0	0	0	2	2
	2015	2	1	0	0	0	0	3
Delaware	2013	1	0	0	0	0	0	1
	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	1	0
Florida	2013	2	0	0	1**	0	0	1
	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
Georgia	2013	3	1	0	0	0	1	3
	2014	3	1	0	0	0	0	4
	2015	4	1	0	0	0	1	4
Hawaii	2013	0	1	0	0	0	0	1
	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
Idaho	2013	1	0	0	0	1	0	0
	2014	0	0	0	0	0	0	0

Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9
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
	2015	0	0	0	0	0	0	0
Illinois	2013	8	2	0	0	0	1	9
	2014	9	1	0	1	0	1	8
	2015	8	0	0	0	0	2	6
Indiana	2013	1	0	0	0	0	0	1
	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
Iowa	2013	2	0	0	0	0	0	2
	2014	2	0	0	0	0	0	2
	2015	2	0	0	0	0	1	1
Kansas	2013	0	0	0	0	0	0	0
	2014	0	0	0	0	0	0	0
	2015	0	0	0	0	0	0	0
Kentucky	2013	1	0	0	0	0	0	1
	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
Louisiana	2013	1	0	0	0	0	0	1
	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
Maine	2013	1	0	0	0	0	0	1
	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
Maryland	2013	3	0	0	0	0	0	3
	2014	3	0	0	0	0	0	3
	2015	3	0	0	0	0	0	3
Massachusetts	2013	2	0	0	0	0	2	1
	2014	1	0	0	0	0	0	1
	2015	1	1	0	0	0	0	2
Michigan	2013	1	0	0	0	0	0	1
	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
Minnesota	2013	5	0	0	0	0	2	3
	2014	3	0	0	0	0	0	3
	2015	3	0	0	0	0	0	3
Mississippi	2013	0	0	0	0	0	0	0
	2014	0	0	0	0	0	0	0
	2015	0	0	0	0	0	0	0
Missouri	2013	3	0	0	0	0	0	3
	2014	3	0	0	0	0	0	3
	2015	3	0	0	0	0	0	3
Nebraska	2013	2	0	0	0	0	0	2
	2014	2	0	0	0	0	0	2
	2015	2	0	0	0	0	1	1
Nevada	2013	0	0	0	0	0	0	0

Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9
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
	2014	0	0	0	0	0	0	0
	2015	0	1	0	0	0	0	1
New Hampshire	2013	0	0	0	0	0	0	0
	2014	0	0	0	0	0	0	0
	2015	0	0	0	0	0	0	0
New Jersey	2013	4	1	0	0	0	0	5
	2014	5	1	0	0	0	0	6
	2015	6	2	0	0	0	1	7
New Mexico	2013	1	0	0	0	0	0	1
	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
New York	2013	8	0	0	0	0	1	7
	2014	7	2	0	0	0	1	8
	2015	8	0	0	0	0	1	7
North Carolina	2013	7	1	0	0	0	1	7
	2014	7	1	0	0	0	0	8
	2015	8	0	0	0	0	0	8
Ohio	2013	1	1	0	0	0	0	2
	2014	2	1	0	0	0	0	3
	2015	3	0	0	0	0	0	3
Oklahoma	2013	3	0	0	0	0	0	3
	2014	3	0	0	0	0	1	2
	2015	2	0	0	0	0	0	2
Oregon	2013	1	0	0	0	0	0	1
	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
Pennsylvania	2013	6	1	0	0	0	0	7
	2014	7	0	0	0	0	0	7
	2015	7	2	0	0	0	2	7
Rhode Island	2013	1	0	0	0	0	1	0
	2014	0	0	0	0	0	0	0
	2015	0	0	0	0	0	0	0
South Carolina	2013	3	0	0	0	0	0	3
	2014	3	1	0	0	0	1	3
	2015	3	0	0	0	0	0	3
Tennessee	2013	1	0	0	0	0	0	1
	2014	1	0	0	0	0	0	1
	2015	1	1	0	0	0	0	2
Texas	2013	13	1	0	0	0	0	14
	2014	14	1	0	0	0	1	14
	2015	14	3	0	1	0	2	14
Utah	2013	3	1	0	0	0	1	3
	2014	3	0	0	0	0	0	3
	2015	3	2	0	0	0	2	3

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of Year	Col. 4 Outlets Opened	Col. 5 Termina- tions	Col. 6 Non- Renewals	Col. 7 Reacquired by Franchisor	Col. 8 Ceased Operations – Other Reasons*	Col. 9 Outlets at End of the Year
Vermont	2013	0	0	0	0	0	0	0
	2014	0	0	0	0	0	0	0
	2015	0	0	0	0	0	0	0
Virginia	2013	2	0	0	0	0	0	2
	2014	2	0	0	0	0	0	2
	2015	2	0	0	0	0	0	2
Washington	2013	0	0	0	0	0	0	0
	2014	0	0	0	0	0	0	0
	2015	0	0	0	0	0	0	0
Wisconsin	2013	2	0	0	0	0	0	2
	2014	2	0	0	0	0	0	2
	2015	2	0	0	0	0	2	0
Wyoming	2013	0	0	0	0	0	0	0
	2014	0	0	0	0	0	0	0
	2015	0	0	0	0	0	0	0
Total for the United States	2013	107	17	0	1	1	10	112
	2014	112	14	0	1	0	8	117
	2015	117	15	0	1	0	19	112

These figures are current through December 31, 2015.

Status of Franchised Outlets – TAB Businesses – International
For Years 2013 to 2015

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of Year	Col. 4 Outlets Opened	Col. 5 Termina- tions	Col. 6 Non- Renewals	Col. 7 Reacquired By Franchisor	Col. 8 Ceased Operations – Other Reasons*	Col. 9 Outlets At End of the Year
British Columbia, Canada	2013	3	1	0	0	0	1	3
	2014	3	0	0	0	0	0	3
	2015	3	0	0	0	0	0	3
Manitoba, Canada	2013	1	0	0	0	0	0	1
	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
Ontario	2013	8	3	0	0	0	1	10
	2014	10	1	0	1	0	0	10
	2015	10	2	0	0	0	1	11
Caracas, Venezuela	2013	1	0	0	0	0	0	1
	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
Total International	2013	13	4	0	0	0	2	15
	2014	15	1	0	1	0	0	15
	2015	15	2	0	0	0	1	16

These figures are current through December 31, 2015.

* Franchisees in this column signed voluntary termination agreements, ceased to operate their TAB Business after signing Exhibit IV, abandoned their TAB Business, transferred their business, are deceased or failed to communicate with us within the ten weeks prior to the date of this Franchise Disclosure Document in fiscal year 2015 or through the date of this Franchise Disclosure Document.

** Franchisee continues to operate a TAB Board for us as an Independent Facilitator Coach.

Table No. 4
Status of Company-Owned Outlets – TAB Businesses
For Years 2013 to 2015

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of the Year	Col. 4 Outlets Opened	Col. 5 Outlets Reacquired From Franchisee	Col. 6 Outlets Closed	Col. 7 Outlets Sold to Franchisee	Col. 8 Outlets at End of the Year
Colorado	2013	2	0	0	0	0	2
	2014	2	1	0	1	0	2
	2015	2	2	0	1	0	3
Florida	2013	0	1	0	0	0	1
	2014	1	0	0	0	0	1
	2015	1	0	0	0	0	1
Hawaii	2013	0	1	0	0	0	1
	2014	1	0	0	0	0	1
	2015	1	0	0	0	0	1
Iowa	2013	0	0	0	0	0	0
	2014	0	0	0	0	0	0
	2015	0	1	0	0	0	1
Idaho	2013	0	1	0	0	0	1
	2014	1	0	0	0	0	1
	2015	1	0	0	0	0	1
Kansas	2013	0	0	0	0	0	0
	2014	0	1	0	0	0	1
	2015	1	0	0	0	0	1
Ohio	2013	1	0	0	0	0	1
	2014	1	0	0	1	0	0
	2015	0	0	0	0	0	0
Oregon	2013	0	0	0	0	0	0
	2014	0	0	0	0	0	0
	2015	0	1	0	0	0	1
Pennsylvania	2013	0	0	0	0	0	0
	2014	0	0	0	0	0	0
	2015	0	1	0	0	0	1
Virginia	2013	1	0	0	0	0	1
	2014	1	0	0	1	0	0
	2015	0	0	0	0	0	0
Texas	2013	1	0	0	1	0	0
	2014	0	1	0	0	0	1
	2015	1	0	0	0	0	1

Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8
State	Year	Outlets at Start of the Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
Washington	2013	0	0	0	0	0	0
	2014	0	0	0	0	0	0
	2015	0	1	0	0	0	1
Wisconsin	2013	0	0	0	0	0	0
	2014	0	0	0	0	0	0
	2015	0	1	0	0	0	1
Ontario, Canada	2013	0	0	0	0	0	0
	2014	0	1	0	0	0	1
	2015	1	0	0	0	0	1
Total	2013	5	3	0	1	0	7
	2014	7	4	0	3	0	8
	2015	8	7	0	1	0	14

These figures are current through December 31, 2015.

Table No. 5
Projected Openings as of December 31, 2015

Column 1	Column 2	Column 3	Column 4
State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
Alabama	0	0	0
Arizona	0	0	0
Arkansas	0	0	0
California	0	0	0
Colorado	0	0	0
Connecticut	0	0	0
Delaware	0	1	0
Florida	0	1	0
Georgia	0	0	0
Hawaii	0	0	0
Illinois	0	0	0
Indiana	0	1	0
Iowa	0	0	0
Kansas	0	1	0
Kentucky	0	1	0
Louisiana	0	0	0
Maine	0	1	0
Maryland	0	0	0
Massachusetts	0	1	0
Michigan	0	0	0
Minnesota	0	0	0
Mississippi	0	1	0

Column 1	Column 2	Column 3	Column 4
State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
Missouri	0	0	0
Nebraska	0	0	0
Nevada	0	1	0
New Hampshire	0	0	0
New Jersey	0	0	0
New Mexico	0	0	0
New York	0	1	0
North Carolina	0	0	0
Ohio	0	1	0
Oklahoma	0	0	0
Pennsylvania	0	1	0
Rhode Island	0	0	0
South Carolina	0	1	0
Tennessee	0	0	0
Texas	0	0	0
Utah	0	0	0
Virginia	0	0	0
Washington	0	0	0
Wisconsin	0	0	0
Wyoming	0	1	0
Canada	0	0	0
Total	0	14	0

A list of the names of all franchisees and the addresses and telephone numbers of their TAB Businesses are listed in Exhibit G to this Franchise Disclosure Document. A list of the names, city and state and current business telephone numbers or last-known home telephone numbers of all franchisees who have had a TAB Business terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business during the most recently completed fiscal year or who have not communicated with us within ten weeks of the date of this Franchise Disclosure Document are listed in Exhibit H to this Franchise Disclosure Document.

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

Franchisees have signed confidentiality clauses during the last three fiscal years. In some instances, such as in voluntary termination agreements, current and former franchisees sign provisions restricting their ability to speak openly about their experience with TAB Businesses. 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.

We do not know of any trademark-specific franchisee organization associated with the TAB system.

ITEM 21

FINANCIAL STATEMENTS

Attached to the Franchise Disclosure Document as Exhibit I are our audited financial statements as of December 31, 2013, 2014, and 2015. Our fiscal year end is December 31.

ITEM 22

CONTRACTS

Attached to this Franchise Disclosure Document are the following:

- A. List of State Administrators and Agents for Service of Process
- B. Franchise Agreement
- B-I. Addendum to Franchise Agreement
- B-II. Statement of Ownership
- B-III. Guaranty and Assumption of Franchisee's Obligations
- B-IV. Non-disclosure and Non-competition Agreement
- B-V. Conditional Assignment of Telephone and Directory Listings, Etc.
- B-VI. Closing Acknowledgment
- B-VII. State Law Rider
- B-VIII. Trademarks
- C. Marketing Support Agreement
- D. Field Support Training Services Agreement
- E. CRM System Use Agreement
- F. Operations Manual Table of Contents
- G. List of Franchisees
- H. Franchisees Who Have Left the System
- I. Audited Financial Statements
- J. State Law Addenda and Riders
- K. Grant of Franchisor Consent and Franchisee Release for Use in Maryland
- L. Satellite Site Service Authorization Agreement
- M. TAB Boards International, Inc. Optional Franchise Fee Addendum
- N. Receipt

ITEM 23

RECEIPT

On the last two pages of this Franchise Disclosure Document (Exhibit N), you will find two copies of the Receipt page. You must sign, date, and deliver the copy of the Receipt page labeled "TAB" to us for our records.

**EXHIBIT A
TO FRANCHISE DISCLOSURE DOCUMENT**

LIST OF STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
CALIFORNIA	<p>California Department of Business Oversight One Sansome Street Suite 600 San Francisco, CA 94104-4428 (415) 972-856</p> <p>1515 K Street Suite 200 Sacramento, CA 95814-4052 (916) 445-2705</p> <p>1350 Front Street Room 2034 San Diego, CA 92101 (619) 525-4233</p> <p>320 West Fourth Street Suite 750 Los Angeles, CA 90013-2344 (213) 576-7500</p> <p>45 Fremont Street Suite 1700 San Francisco, CA 94105 (415) 263-8500</p> <p>300 South Spring Street Suite 15513 Los Angeles, CA 90013 (213) 897-2085</p> <p>7575 Metropolitan Drive Suite 108 San Diego, CA 92108 (619) 682-7227</p>	<p>Commissioner of Business Oversight 320 West Fourth Street Suite 750 Los Angeles, CA 90013-2344 (213) 576-7500</p>
CONNECTICUT	<p>Securities and Business Investment Division Connecticut Department of Banking 44 Capitol Avenue Hartford, CT 06106 (203) 240-8299</p>	<p>Connecticut Banking Commissioner 44 Capitol Avenue Hartford, CT 06106 (203) 240-8299</p>
FLORIDA	<p>Department of Agriculture and Consumer Services Division of Consumer Services Mayo Building Second Floor Tallahassee, FL 32399-0800 (904) 922-2770</p>	<p>Department of Agriculture and Consumer Services Division of Consumer Services Mayo Building Second Floor Tallahassee, FL 32399-0800 (904) 922-2770</p>

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
GEORGIA	Office of Consumer Affairs Two Martin Luther King Drive, S.E. Plaza Level, East Tower Atlanta, GA 30334 (404) 656-3790	Office of Consumer Affairs Two Martin Luther King Drive, S.E. Plaza Level, East Tower Atlanta, GA 30334 (404) 656-3790
HAWAII	State of Hawaii Business Registration Division Securities Compliance Branch Department of Commerce and Consumer Affairs 335 Merchant Street, Room 203 Honolulu, HI 96813 (808) 586-2722	Hawaii Commissioner of Securities 335 Merchant Street, Room 203 Honolulu, HI 96813 (808) 586-2722
ILLINOIS	Franchise Division Office of the Attorney General 500 South Second Street Springfield, IL 62706 (217) 782-4465	Illinois Attorney General 500 South Second Street Springfield, IL 62706 (217) 782-4465
INDIANA	Securities Commissioner Indiana Securities Division 302 West Washington Street, Room E-111 Indianapolis, IN 46204 (317) 232-6681	Indiana Secretary of State 201 State House 200 West Washington Street Indianapolis, IN 46204
IOWA	Iowa Securities Bureau Second Floor Lucas State Office Building Des Moines, IA 50319 (515) 281-4441	Iowa Securities Bureau Second Floor Lucas State Office Building Des Moines, IA 50319 (515) 281-4441
KENTUCKY	Kentucky Attorney General's Office Consumer Protection Division 1024 Capitol Center Drive Frankfort, KY 40602 (502) 573-2200	Kentucky Attorney General's Office Consumer Protection Division 1024 Capitol Center Drive Frankfort, KY 40602 (502) 573-2200
LOUISIANA	Department of Urban and Community Affairs Consumer Protection Office 301 Main Street Sixth Floor One America Place Baton Rouge, LA 70801 (504) 342-7013	Department of Urban and Community Affairs Consumer Protection Office 301 Main Street Sixth Floor One America Place Baton Rouge, LA 70801 (504) 342-7013
MAINE	Department of Business Regulations State House – Station 35 Augusta, ME 04333 (207) 298-3671	Department of Business Regulations State House – Station 35 Augusta, ME 04333 (207) 298-3671
MARYLAND	Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, MD 21202 (410) 576-7044	Maryland Securities Commissioner 200 St. Paul Place Baltimore, MD 21202 (410) 576-7044
MICHIGAN	Michigan Department of Attorney General Consumer Protection Division Antitrust and Franchise Unit 670 G. Mennen Williams Building Lansing, MI 48913 (517) 373-7117	Michigan Department of Commerce Corporations and Securities Bureau 670 G. Mennen Williams Building Lansing, MI 48913 (517) 373-7117

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
MINNESOTA	Minnesota Department of Commerce 85 Seventh Place East Suite 500 St. Paul, MN 55101 (651) 296-4026	Minnesota Commissioner of Commerce 85 Seventh Place East Suite 500 St. Paul, MN 55101 (651) 296-4026
NEBRASKA	Department of Banking and Finance 1230 "O" Street Suite 400 Lincoln, NE 68508 P.O. Box 95006 Lincoln, Nebraska 68509-5006 (402) 471-3445	Department of Banking and Finance 1230 "O" Street Suite 400 Lincoln, NE 68508 P.O. Box 95006 Lincoln, Nebraska 68509-5006 (402) 471-3445
NEW HAMPSHIRE	Attorney General Consumer Protection and Antitrust Bureau State House Annex Concord, NH 03301 (603) 271-3641	Attorney General Consumer Protection and Antitrust Bureau State House Annex Concord, NH 03301 (603) 271-3641
NEW YORK	Attention: Barbara Lasoff Office of the New York State Attorney General Investor Protection Bureau Franchise Section 120 Broadway 23rd Floor New York, NY 10271-0332 (212) 416-8236	Attention: Uniform Commercial Code New York Department of State One Commerce Plaza 99 Washington Avenue Sixth Floor Albany, NY 12231-0001 (518) 473-2492
NORTH CAROLINA	North Carolina Secretary of State's Office Securities Division Legislative Annex Building 300 Salisbury Street Raleigh, NC 27602 (919) 733-3924	North Carolina Secretary of State North Carolina Secretary of State's Office 300 Salisbury Street Raleigh, NC 27602
NORTH DAKOTA	North Dakota Securities Department 600 East Boulevard Avenue State Capitol Fifth Floor Bismarck, ND 58505-0510 (701) 328-4712	North Dakota Securities Commissioner 600 East Boulevard Avenue State Capitol Fifth Floor Bismarck, ND 58505-0510 (701) 328-4712
OHIO	Attorney General Consumer Fraud and Crime Section State Office Tower 30 East Broad Street Fifteenth Floor Columbus, OH 43215 (614) 466-8831	Attorney General Consumer Fraud and Crime Section State Office Tower 30 East Broad Street Fifteenth Floor Columbus, OH 43215 (614) 466-8831
OKLAHOMA	Oklahoma Securities Commission 2915 Lincoln Boulevard Oklahoma City, OK 73105 (405) 521-2451	Oklahoma Securities Commission 2915 Lincoln Boulevard Oklahoma City, OK 73105 (405) 521-2451
OREGON	Oregon Department of Insurance and Finance Corporate Securities Section Labor and Industries Building Salem, OR 96310 (503) 378-4387	Director Oregon Department of Insurance and Finance Labor and Industries Building Salem, OR 96310 (503) 378-4387

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
RHODE ISLAND	Rhode Island Division of Securities 233 Richmond Street Suite 232 Providence, RI 02903-4232 (401) 277-3048	Director of the Rhode Island Department of Business Regulation Rhode Island Attorney General 233 Richmond Street Providence, RI 02903-4232
SOUTH CAROLINA	South Carolina Secretary of State P.O. Box 11350 Columbia, SC 29211 (803) 734-2166	South Carolina Secretary of State P.O. Box 11350 Columbia, SC 29211 (803) 734-2166
SOUTH DAKOTA	South Dakota Department of Labor and Regulation Division of Securities 124 South Euclid Suite 104 Pierre, SD 57501 (605) 773-4823	Director of South Dakota Division of Securities 124 South Euclid Suite 104 Pierre, SD 57501 (605) 773-4823
TEXAS	Texas Secretary of State Statutory Documents Section P.O. Box 12887 Austin, TX 78711-2887 (512) 475-1769	Texas Secretary of State Statutory Documents Section P.O. Box 12887 Austin, TX 78711-2887 (512) 475-1769
UTAH	Utah Department of Commerce Consumer Protection Division 160 East 300 South P.O. Box 45804 Salt Lake City, UT 84145-0804 (801) 530-6601	Utah Department of Commerce Consumer Protection Division 160 East 300 South P.O. Box 45804 Salt Lake City, UT 84145-0804 (801) 530-6601
VIRGINIA	Virginia State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street Ninth Floor Richmond, VA 23219 (804) 371-9051	Clerk of the State Corporation Commission Virginia State Corporation Commission 1300 East Main Street Richmond, VA 23219
WASHINGTON	Washington Department of Financial Institutions Securities Division 150 Israel Road S.W. Tumwater, WA 98501 (360) 902-8762	Director Washington Department of Financial Institutions Securities Division 150 Israel Road S.W. Tumwater, WA 98501
WISCONSIN	Wisconsin Department of Financial Institutions Division of Securities 345 West Washington Avenue Fourth Floor Madison, WI 53703 (608) 266-8557	Wisconsin Commissioner of Securities 345 West Washington Avenue Fourth Floor Madison, WI 53703 (608) 266-8557

EXHIBIT B
TO FRANCHISE DISCLOSURE DOCUMENT

FRANCHISE AGREEMENT

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TAB BOARDS INTERNATIONAL, INC.
FRANCHISE AGREEMENT

Franchisee: _____

Date: _____, 2016

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**TAB BOARDS INTERNATIONAL, INC.
FRANCHISE AGREEMENT**

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Exhibits to Franchise Agreement

Exhibit I	Addendum to Franchise Agreement
Exhibit II	Statement of Ownership
Exhibit III	Guaranty and Assumption of Franchisee’s Obligations
Exhibit IV	Non-Disclosure and Non-Competition Agreement
Exhibit V	Conditional Assignment of Telephone and Directory Listings, Etc.
Exhibit VI	Closing Acknowledgment
Exhibit VII	State Law Rider
Exhibit VIII	Trademarks

**TAB BOARDS INTERNATIONAL, INC.
FRANCHISE AGREEMENT**

This **TAB BOARDS INTERNATIONAL, INC. FRANCHISE AGREEMENT** (the “**Agreement**”) is made this _____ day of _____, 2016 (the “**Effective Date**”), by and between [by, between and among] TAB BOARDS INTERNATIONAL, INC. (“**TAB**”), a Colorado corporation located at 11031 Sheridan Boulevard, Westminster, Colorado 80020, and _____ (“**Franchisee**”), [a _____ corporation/limited liability company] located at _____, [and _____] (“**Managing Party**”), an individual residing at _____.] TAB, Franchisee and Managing Party will sometimes be referred to individually as a “**Party**,” and collectively as the “**Parties**.”

RECITALS

WHEREAS, TAB has developed and owns or licenses the Licensed Methods for use in operating a Business;

WHEREAS, TAB grants to qualified third parties the right to use the Licensed Methods to operate a Business within a defined Protected Territory;

WHEREAS, Franchisee or Managing Party (if Franchisee is a partnership, limited liability company, corporation or other entity) is an experienced businessperson who desires the right to establish and operate a Business using the Licensed Methods within a Protected Territory under the terms and conditions of this Agreement; and

WHEREAS, TAB desires to grant Franchisee the right to establish and operate a Business using the Licensed Methods within the Protected Territory under the terms and conditions of this Agreement.

NOW, THEREFORE, for and in consideration of the mutual promises and covenants contained herein, the Parties agree as follows.

DEFINITIONS

For purposes of this Agreement, the following terms will have the meaning as set forth below:

“**Additional Marketing**” means the required marketing, advertising and promotional activities described in the Operations Manual for Franchisee’s TAB Business, as further described in Section 9.2(a).

“**Additional Revenue from the TAB Opportunity**” means revenue through tools introduced or promoted by TAB and revenue through Ancillary Business services provided to Members, as further described in Section 5.3(c)(i).

“**Advanced Business Development Training**” means the business development training provided by TAB as described in the Operations Manual, as further described in Section 6.3(b).

“**Affiliate**” means individually or collectively any and all entities and/or individuals controlling, controlled by, or under common ownership with TAB, including Direct Communications Service, Inc., Fishman Business Consultants, Inc., and TAB Boards International (Canada) Corporation.

“**Agreement**” means this instrument and any and all exhibits, addendums, riders and attachments to this Agreement as the same may be amended, modified or supplemented from time to time in accordance with the provisions of this Agreement, as further described in the Preamble.

“**Amounts Collected on Franchisee’s Behalf**” means the Gross Revenue from the TAB Opportunity, and other fees invoiced or collected by TAB on Franchisee’s behalf from Franchisee’s TAB Members through TAB’s billing and collection services, as further described in Section 5.3(a).

“**Ancillary Business**” means consulting or other business services if such consulting or other business services are not the same as or similar in nature to those that form a part of the TAB Business or Licensed Methods or qualify as Competitive Activity, as further described in Section 5.3(c).

“**Annex**” means the Annex to Executive Order 13224 that can be accessed at <http://www.treasury.gov/offices/enforcement/ofac/sanctions/terrorism.html>, as further described in Section 20.13(a).

“**Anti-Terrorism Laws**” means Executive Order 13224 issued by the President of the United States, the Terrorism Sanctions Regulations (Title 31, Part 595 of the U.S. Code of Federal Regulations), the Foreign Terrorist Organizations Sanctions Regulations (Title 31, Part 597 of the U.S. Code of Federal Regulations), the Cuban Assets Control Regulations (Title 31, Part 515 of the U.S. Code of Federal Regulations), the USA PATRIOT Act, and all other applicable present and future national, federal, state, provincial and local laws, ordinances, regulations, policies, lists and any other requirements of any governmental authority of any nation (including, without limitation, the United States Department of Treasury Office of Foreign Assets Control) addressing or in any way relating to terrorist acts and acts of war, as further described in Section 20.13.

“**Assessment Period**” means a Calendar Quarter, as further described in Section 2.2.

“**Board**” means the groups of business leaders who become Members and participate in Board Meetings, as further described in Section 1.1(a).

“**Board Meeting**” means the meeting of a Board where a franchisee, a managing party or a Contract Facilitator acts as the Facilitator, as further described in Section 1.1(a).

“**Business**” means the operation of a business using the Licensed Methods, TAB System and Trademarks to form Boards of Members, Facilitate Board Meetings, and provide coaching, which may, but is not required to, include SBL Coaching to Members, as further described in Section 1.1(a).

“**Business Assessment Fees**” means a fee paid by Members for their registration as a new Member, as further described in Section 5.2(a).

“**Calendar Quarter**” means a consecutive three (3) month period beginning on the first days of January, April, July or October.

“**Calendar Year**” means a consecutive twelve (12) month period beginning on January 1 and ending on December 31.

“**Change of Membership Status Reports**” means the reports provided to TAB that provides Member status change information or such other information as prescribed by TAB, as further described in Section 12.1(b).

“**Coaching Services**” means the business coaching services conducted by a business coach designated by TAB, as further described in Section 5.2(j).

“**Competitive Activity**” means marketing services and products that are the same as, similar to, or competitive with the Licensed Methods or Franchisee’s Business, marketing or facilitating groups of business leaders, which group meetings are the same as or similar in nature to Boards, providing regularly-scheduled private coaching sessions, mentoring or providing strategic planning services for business owners and/or their planning teams that use processes, methods or systems that are the same as or similar in nature to those processes, methods or systems that are used by the SBL System, providing services of the type provided by TAB and/or its Affiliates where those services are provided in relation to businesses of the type described above, owning, whether directly or indirectly, and whether beneficially or of record of any capital stock, partnership interest, membership interest or any other interest in a business or entity that engages in the activities described above, participation, either directly or indirectly, in the management or operation of a business as a partner, investor, shareholder, owner, director, officer, employee, principal, agent, advisor, contractor or consultant or in any other capacity of any entity, business or person that engages in the activities described above, franchising, licensing, conducting or being connected with or assisting any person, entity or business to franchise, license, conduct or be connected with the activities described above, or diverting or attempting to divert, directly or indirectly, any business related to, or any customer or account of, Franchisee’s Business, TAB, Affiliates, any other Business operated by TAB, its franchisees, licensees or Affiliates, Other Businesses, or any other business then being offered or operated by TAB or its Affiliates in Franchisee’s Protected Territory, or diverting or attempting to divert, directly or indirectly, the employment of any employee or Contract Facilitators of TAB or another TAB franchisee, licensee or TAB Affiliate to any entity to conduct activities described above, as further described in Section 14.2.

“**Confidential Information**” means the operations, marketing, materials and data bases, advertising, development and related information which are developed and utilized in connection with the operation of the Business and the Operations Manual, all aspects of the Licensed Methods, Membership Information, the terms of this Agreement, and all TAB’s or its Affiliates’ proprietary information (whether in print, electronic form, or oral. is defined in Section 14.3(a).

“**Confirmation Promotional Gift**” means the item Franchisee delivers to a person that signs up to attend a Marketing Event, as further described in Section 5.2(i).

“**Consumer Price Index**” means the Consumer Price Index published by the Bureau of Labor Statistics of the United States Department of Labor, U.S. City Average, All Items, and Major Group Figures for all Urban Consumers (CPI U 1982 – 84 = 100).

“**Continuing Advanced Training**” means the advanced training Franchisee or Managing Party and Franchisee’s Contract Facilitators must attend if TAB offers such training, as further described in Section 6.3(g).

“**Contract Facilitator**” means an individual that has satisfactorily completed TAB’s training and is engaged by a TAB franchisee in such TAB franchisee’s Business to form and/or facilitate Boards and to provide coaching to Members, as further described in Section 5.2(k).

“**Contract Facilitator Agreement**” means the form of contract facilitator agreement (including all exhibits, ancillary documents and guarantees attached thereto) to be entered into by Franchisee and Franchisee’s Contract Facilitators, as further described in Section 7.3(b).

“**Contract Facilitator Training**” means the required training a Contract Facilitator must satisfactorily complete to become a certified Facilitator provider of SBL Coaching, as further described in Section 5.2(k).

“**Contract Facilitator Training Fee**” means the then-current fee TAB charges for Contract Facilitator Training, as further described in Section 5.2(k).

“**Copyrighted Materials**” means all manuals, the Operations Manual, Licensed Methods, systems, logos, designs, marketing materials, layouts of advertising materials, copyrights, writings, recordings, binders, videos, Satellite Website content, other web content, electronic files, agreements, forms, books, software and printed materials, etc., including all revisions, changes, modifications and derivatives of or to any of the foregoing, related to Franchisee’s Business or provided to Franchisee by TAB, its designees or its Affiliates, including all additions, modifications, derivatives, alterations and improvements thereto, as further described in Section 13.1(d).

“**CRM System**” means the designated customer relationship management system required to be used in Franchisee’s Business, as further described in Section 5.2(m).

“**Default**” means Franchisee’s failure to comply with Franchisee’s obligations under this Agreement or the Operations Manual, or Franchisee meeting the conditions described in Sections 17.2 or 17.3, as further described in Section 17.1.

“**Dispute**” means any disputes, controversies or claims between TAB, its Affiliates, shareholders, owners, officers, directors, agents, employees and attorneys (in their respective capacity), and Franchisee and Managing Party, owners, guarantors, owners, affiliates, officers, directors, agents and employees arising out of or related to this Agreement or any other agreement between the Parties relating to the Business or the relationship of the Parties hereto, arising out of the relationship of the Parties hereto, or arising out of the scope or validity of this Agreement or any other agreement between the Parties relating to the Business or the relationship of the Parties hereto or any provision thereof, as further described in Section 18.6.

“**Effective Date**” means the date on which this Agreement is executed by TAB, as further described in the Preamble.

“**Facilitate**” means the act of promoting, organizing and conducting Board Meetings in full compliance with TAB’s requirements, as further described in Section 2.1(b)(ii).

“**Facilitator**” means an individual who promotes, organizes and conducts Board Meetings in full compliance with TAB’s requirements or the act thereof, as further described in Section 5.2(h).

“**Facilitator Intranet**” means the Intranet available to Facilitators, as further described in Section 6.2(h).

“**Field Support Training Services**” means the support and training provided to Franchisee in Franchisee’s Protected Territory at the time periods scheduled by TAB as set out in the Operations Manual, as further described in Section 5.2(b).

“**Field Support Training Services Fee**” means the then-current fee Franchisee pays TAB for additional Field Support Training Services Franchisee may receive after Franchisee’s Initial Training Program, as further described in Section 5.2(b).

“Franchise Marketing Account” means the segregated commercial or savings bank account set up by TAB as a marketing fund, as further described in Section 5.2(l).

“Franchisee” means all persons, corporations, limited liability companies, partnerships, and other entities, as further described in the Preamble. Franchisee, Franchisee’s owners, Franchisee’s assignees and Franchisee’s transferees, which in the context are applicable to an individual or individuals, will mean the owner or owners of an equity or voting interest of the Business or any such assignee or transferee, if Franchisee or such assignee or transferee is a corporation, partnership, limited liability company or other entity.

“FST” means an individual who provides Field Support Training Services to Franchisee, as further described in Section 5.2(c).

“FST Travel and Living Expenses” means the travel, accommodation and living expenses incurred by an FST during the period the FST provides Field Support Training Services as further described in Section 5.2(c).

“Gross Revenue from the TAB Opportunity” means gross revenue derived from Membership Dues, Business Assessment Fees, and revenue from Supplemental Products and Services (if any), as further described in Section 5.2(a).

“Gross Received Revenue” means all Membership Dues and Business Assessment Fees received by Franchisee or TAB from the operation of Franchisee’s Business, as further described in Section 5.2(l).

“Guarantors” means those individuals identified on Exhibit III.

“Initial Franchise Fee” means the fee Franchisee will pay TAB to purchase the right to operate a Business, as further described in Section 5.1(a).

“Initial Term” means the period of years set out in Exhibit I commencing from Franchisee’s Start of Business Operations, as further described in Section 1.1(a).

“Initial Training Fee” means the fee Franchisee will pay TAB for Franchisee’s Initial Training Program, as further described in Section 5.1(b).

“Initial Training Program” means the Training Program, Field Support Training Services, Advanced Business Development Training and New TAB Franchisee Business Coaching provided by TAB, as further described in Section 5.1(b).

“Interim Period” means the month-to-month period that Franchisee continues to operate the Business beyond the Initial Term of this Agreement or any subsequent Successor Terms, as further described in Section 3.2.

“International Conference” means the conference produced by TAB at such location designated by TAB, as further described in Section 5.2(h).

“International Conference Facilitator Registration Fee” means the registration fee Franchisee must pay for the International Conference, as further described in Section 5.2(h).

“Improvements” means any new intellectual property, inventions, copyrights, trade secrets, concepts, processes, products, or improvements to the operation or promotion or otherwise in relation to the Business and/or Licensed Methods or any derivatives thereof, as further described in Section 13.7.

“Licensed Methods” means individually and collectively, the TAB System, SBL System, TAB Business Vantage[®] tool, Strategic Business Leadership[®] program, Confidential Information, Trade Secrets, Copyrighted Materials, Trademarks, Operations Manual and all other related TAB proprietary materials, as further described in Section 1.1(a).

“Managing Party” means, if Franchisee is a partnership, corporation, limited liability company or other legal entity, the individual owner or partner of such partnership, corporation, limited liability company or other legal entity whom Franchisee designates to have management responsibility for operating Franchisee’s Business, as further described in the Preamble.

“Marketing Development Fee” means the monthly fee Franchisee pays to TAB which is deposited in the Franchise Marketing Account, as further described in Section 5.2(l).

“Marketing Event” means the marketing event that prospective Members in Franchisee’s Protected Territory are invited to attend to learn about the value of TAB membership, as further described in Section 5.2(c).

“Marketing Fee” means the amount Franchisee pays TAB to provide Marketing Support for a required Mass Marketing Campaign, as further described in Section 5.1(c).

“Marketing Lists” means the lists of Prospects in Franchisee’s Protected Territory, as further described in Section 9.2(b).

“Mass Marketing Campaign” means a marketing campaign Franchisee conducts as part of Franchisee’s Business to solicit prospects in Franchisee’s Protected Territory to attend a Marketing Event or a one-on-one meeting to become Members, as further described in Section 5.1(c).

“Marketing Support” means the marketing support provided by TAB or its Affiliates or designees as described in the Operations Manual to assist Franchisee in conducting a Mass Marketing Campaign, as further described in Section 5.1(c).

“Member” means a business leader who participates in Boards, as further described in Section 1.1(a).

“Member Administration and Support Fee” means the monthly fee Franchisee pays TAB for TAB’s administrative services, as further described in Section 5.2(g).

“Membership Dues” means the dues Franchisee will charge Franchisee’s Members for participating in Boards and the fees Franchisee charges Franchisee’s Members for receiving coaching, as further described in Section 5.2(l).

“Membership Information” means all aspects of soliciting new Members, written agreements with Members, Member lists, Member information and records (including names, addresses, phone numbers and e-mail addresses), Marketing Lists, documents, correspondence, files, lists of renewal dates, rates and literature of whatever form regarding Boards, Members or prospective Members with whom Franchisee discusses or has an appointment to discuss any of the Licensed Methods or the Business in the

past, present, or future, as further described in Section 14.3(a). The term “Membership Information” does not include Franchisee’s work product or matters related solely to an Ancillary Business.

“**Minimum Performance Requirement**” means the minimum amount of TAB Membership Revenue Franchisee must collect each Assessment Period beginning on the tenth month from Franchisee’s Start of Business Operations, as further described in Section 2.2.

“**Minimum Royalty Fee**” means the minimum monthly fee Franchisee pays TAB beginning on the tenth month after Franchisee’s Start of Business Operations, as further described in Section 5.2(a).

“**MM Territory**” means a major market territory, which is a Protected Territory comprised of certain ZIP codes, postal codes and/or counties from which a franchisee intends to operate a Business.

“**New TAB Franchisee Business Coaching**” means the business coaching Franchisee receives from a business coach designated by TAB, as further described in Section 6.3(b).

“**New Member Kits**” means a kit containing general membership information for Franchisee’s new Members, as further described in Section 5.2(d).

“**NMM Territory**” means a non-major market territory, which is a Protected Territory comprised of certain ZIP codes, postal codes and/or counties from which a franchisee intends to operate a Business that TAB reasonably believes does not have the demographic and geographic characteristics to qualify as an MM Territory. An NMM Territory is only offered in TAB’s sole discretion when no MM Territory is available in the geographic region where the proposed Business is to be located, as further described in Section 2.3(a).

“**Operations Manual**” includes, but is not limited to, collectively, all directives, books, pamphlets, bulletins, memoranda, roll out guides, order forms, packing slips, invoices, letters, e-mail, Internet or Intranet data, manuals, electronic materials, written materials, audio, websites, training materials, other publications, documents, software programs, video tapes, transmittances or communications, in whatever form (including electronic form) prepared by or on behalf of TAB for use by franchisees generally or for Franchisee in particular, setting forth information, advice and standards, requirements, marketing information and procedures, operating procedures, instructions or policies relating to the operation of the Business, use of the Trademarks and/or the Licensed Methods, as same may be added to, deleted or otherwise amended by TAB from time to time, as further described in Section 1.1(b)(i).

“**Other Businesses**” means businesses that may use the Licensed Methods but do not involve forming or facilitating a Board and do not use any of the TAB Trademarks, or words that are confusingly similar to the TAB Trademarks. Such Other Businesses may include, without limitation, business educational briefings, seminars/workshops, training, sales, groups of single discipline business professionals and business coaching/consulting services, as further described in Section 1.2(a)(v).

“**Party**” means either Franchisee or TAB, as further described in the Preamble.

“**Parties**” means Franchisee and TAB collectively, as further described in the Preamble.

“**Promotional Materials**” means brochures, books, videos, DVDs, CDs, slides, forms, and other promotional materials TAB requires Franchisee to have for use in Franchisee’s Business, including the Start-Up Materials and New Member Kit, or such additional or replacement items that TAB may determine, as further described in Section 5.2(d).

“Prospect Exception” is a prospective Member that has a relationship with Franchisee that existed before the Effective Date, or that developed out of an association that occurred naturally and was not solicited, has been referred to Franchisee by a Member or other party who personally knows the referred prospective Member (so long as such referring party did not solicit such prospective Member outside Franchisee’s Protected Territory on Franchisee’s behalf), or has attended a Marketing Event in Franchisee’s Protected Territory presented by Franchisee before the Effective Date if Franchisee was an authorized Contract Facilitator for TAB or for another franchisee before Franchisee became a franchisee, as further described in Section 2.1(b)(ii).

“Protected Territory” means the area up to 20,000 total businesses, as determined by third party vendors selected by TAB, in which Franchisee will operate Franchisee’s Business that is specifically described in Exhibit I, as further described in Section 1.1(a).

“Prospects” means those prospective Members with offices in Franchisee’s Protected Territory who operate businesses that meet certain Member specifications set out in the Operations Manual, as further described in Section 5.1(c).

“Renewal Fee” means the fee Franchisee pays to TAB to renew Franchisee’s right to operate the Business for a Successor Term, as further described in Section 4.1(c).

“Royalty Fee” means the monthly fee Franchisee pays TAB based on a percentage of annual Gross Revenue from the TAB Opportunity after Franchisee’s Start of Business Operations, as further described in Section 5.2(a).

“Satellite Website” means the website TAB licenses to Franchisee for use in Franchisee’s Business, as further described in Section 5.2(m).

“SBL Coaching” means business planning coaching for Members, which includes a business planning process for business owners and the businesses they own, using the SBL System, as further described in Section 8.6(b).

“SBL Marks” mean such service marks, logos, designs, trademarks, trade dress and trade names as may presently exist or which may be modified, changed, or acquired by TAB or its Affiliates in connection with the operation of the SBL System, including, but not limited to, the “Strategic Business Leadership[®]” trademark, as further described in Section 1.2(c).

“SBL System” means the proprietary methods, processes and system of providing business planning coaching associated with the “Strategic Business Leadership[®]” trademark including the know-how, Confidential Information, Trade Secrets, Licensed Methods and materials associated with it, as they may be changed, improved, modified and further developed by TAB and its Affiliates from time to time, as further described in Section 8.6(b).

“Start of Business Operations” means the date Franchisee begins the operation of the Business, as further described in Section 2.2.

“Start-Up Materials” means branded folders, brochures and/or such additional or replacement items that TAB may determine, as further described in Section 5.2(d).

“**Successor Term**” means additional consecutive periods following the Initial Term equal to the period of the Initial Term set out in Exhibit I (seven or ten years), or such other period as set out in the Franchise Agreement then in effect between TAB and Franchisee, as further described in Section 3.2.

“**Supplemental Products and Services**” mean such books, audiotapes, videotapes, CDs, DVDs, web-based assessments, newsletters and other products and services developed by TAB or its Affiliates for use in the Business, as further described in Section 1.2(a)(ii).

“**TAB Indemnified Parties**” means TAB, its subsidiaries and Affiliates and their respective shareholders, directors, officers, employees, attorneys, agents, successors and assigns, as further described in Section 15.2.

“**TAB Membership Revenue**” means the Membership Dues and Business Assessment Fees collected on a monthly basis, as further described in Section 2.2.

“**TAB System**” means the proprietary methods, processes and systems to operate a Business, including know-how, Confidential Information, Trade Secrets, and the Licensed Methods, as they may be changed, improved, modified and further developed by TAB and its Affiliates from time to time, as further described in Section 8.6(b).

“**TAB Trademarks**” means such service marks, trademarks, trade dress and trade names as may presently exist or which may be modified, changed or acquired by TAB or its Affiliates that they license in connection with the operation of the TAB System, as further described 8.6(b).

“**Trademarks**” means, individually and collectively, the SBL Marks and the TAB Trademarks. The current Trademarks are shown on Exhibit VIII which may be amended, revised or deleted by TAB at any time, as further described in Section 1.2(a)(vii).

“**Trade Secrets**” means information, including systems, patterns, compilations, programs, methods, techniques or processes that both derive independent 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 is the subject of efforts that are reasonable under the circumstances to maintain its secrecy, as further described in Section 14.3(a).

“**Training Program**” means the up to eight (8) day-long initial training program conducted by TAB or its designee at TAB’s corporate headquarters, or at such other location designated by TAB, as further described in Section 6.2(b).

“**Transfer**” means and include any voluntary or involuntary, direct or indirect, assignment, sale, gift conveyance, transfer, or other disposition of an interest, including, without limitation, of any capital stock, partnership interest, membership interest or other ownership interest in Franchisee, the merger or consolidation of Franchisee, in bankruptcy or otherwise by operation of law or by court order, any change of control or management of Franchisee’s Business, any transfer of Franchisee’s Members to another franchisee or licensee, or any change of control or management of any assets used in Franchisee’s Business, as further described in Section 16.2(b).

“**Transfer Fee**” means the fee Franchisee pays TAB for a Transfer, as further described in Section 5.2(r).

1. GRANT OF LICENSE

1.1 LICENSE TO OPERATE A BUSINESS.

(a) Grant. Subject to all the terms and conditions of this Agreement, TAB grants Franchisee, and Franchisee accepts, a license to use the TAB System, SBL System, TAB Business Vantage[®] tool, Strategic Business Leadership[®] program, Confidential Information, Trade Secrets, Copyrighted Materials, Trademarks, Operations Manual and all other related TAB proprietary materials (collectively, the “**Licensed Methods**”) solely for the purpose of operating a business (a “**Business**”) using the Licensed Methods, TAB System and Trademarks to form groups (“**Boards**”) of business leaders (“**Members**”) who participate in meetings (“**Board Meetings**”), to Facilitate Board Meetings where Franchisee, Managing Party or a Contract Facilitator acts as the Facilitator, and to provide coaching, which may, but is not required to, include SBL Coaching to Members during the period of years set out in Exhibit I (the “**Initial Term**”) within an area containing up to 20,000 total qualified businesses, as determined by third party vendors selected by TAB, in which Franchisee will operate Franchisee’s Business that is specifically described in Exhibit I (the “**Protected Territory**”). The rights granted to Franchisee by this Agreement are limited to the Protected Territory and are subject to the reservations of rights described in Section 1.2.

(b) Additional Businesses. Nothing in this Agreement grants Franchisee any right of first refusal, options, right to acquire additional Businesses from TAB or any third party or right to increase Franchisee’s Protected Territory. Franchisee may qualify for an additional Business if:

(i) Franchisee is in full compliance with this Agreement and all directives, books, pamphlets, bulletins, memoranda, roll out guides, order forms, packing slips, invoices, letters, e-mail, Internet or Intranet data, manuals, electronic materials, written materials, audio, websites, training materials, other publications, documents, software programs, video tapes, transmittances or communications, in whatever form (including electronic form) prepared by or on behalf of TAB for use by franchisees generally or for Franchisee in particular, setting forth information, advice and standards, requirements, marketing information and procedures, operating procedures, instructions or policies relating to the operation of Franchisee’s Business, use of the Trademarks and/or the Licensed Methods, as same may be added to, deleted or otherwise amended by TAB from time to time (collectively, the “**Operations Manual**”) at all times; and

(ii) Franchisee and Franchisee’s Guarantors meet TAB’s then-current qualifications for franchisees.

Even if Franchisee meets the above qualifications, it is within TAB’s sole discretion whether to offer or grant Franchisee any rights to acquire additional Businesses.

1.2 RESERVATION OF RIGHTS. Franchisee acknowledges that the license granted hereunder, including in Section 1.1(a), is nonexclusive and, notwithstanding anything contained in this Agreement to the contrary, certain rights are retained and reserved as described below.

(a) To TAB and its Affiliates. The following rights are reserved to TAB and its Affiliates, and their successors and assigns:

(i) Except as provided for in Section 2.1(b), to use, and license the use of, the Licensed Methods or components thereof for the operation of Businesses inside or outside Franchisee’s Protected Territory, regardless of proximity to Franchisee’s Protected Territory;

(ii) To use, and license the use of, the Licensed Methods or components thereof for the offering and/or providing of such books, audiotapes, videotapes, CDs, DVDs, web-based assessments, newsletters and other products and services developed by TAB or its Affiliates for use in the Business (collectively, “**Supplemental Products and Services**”) anywhere within or outside of Franchisee’s Protected Territory;

(iii) To use, and license the use of, the Licensed Methods and such or components thereof to market and conduct on an international, nationwide, regional or local basis, conventions, conferences, briefings, workshops and/or seminars for Members or non-Members, in person or through electronic media or other forms of communication anywhere within or outside Franchisee’s Protected Territory;

(iv) To have direct communications, including, without limitation, conducting research surveys and testing programs with any party anywhere within or outside of Franchisee’s Protected Territory. Such direct communications may include, but are not limited to, TAB or its designee contacting Franchisee, Franchisee’s Members or Franchisee’s prospective Members. Franchisee will participate in such direct communications as reasonably requested by TAB;

(v) To offer and sell, and/or license or franchise others to offer and sell, products and services for businesses that may use the Licensed Methods but do not involve forming or facilitating a Board and do not use the TAB Trademarks (“**Other Businesses**”) and market Other Businesses to anyone, including prospective and existing TAB franchisees and Members anywhere within or outside of Franchisee’s Protected Territory. TAB may obtain prospect lists from any sources or through any methods of developing prospects for Other Businesses;

(vi) To acquire businesses that are the same as or similar to the Business and operate such businesses anywhere within or outside of Franchisee’s Protected Territory, and to be acquired by any third party which operates businesses that are the same as or similar to the Business anywhere within or outside of Franchisee’s Protected Territory; and

(vii) To use alternative distribution channels, such as the Internet, to offer and sell products and services that may use the Licensed Methods under the SBL Marks and the TAB Trademarks (collectively, the “**Trademarks**”) or other trademarks within or outside of Franchisee’s Protected Territory.

(b) To Allen E. Fishman. Allen E. Fishman and his successors and assigns reserve the right to give talks, write books and otherwise communicate information in any form relating to the TAB System and the SBL System and to use the Trademarks in connection therewith anywhere within or outside of Franchisee’s Protected Territory.

(c) To Direct Communications Service, Inc. Direct Communications Service, Inc. and its successors and assigns reserve the right to use any of the methodology, aspects, elements or know-how of the SBL System anywhere within or outside of Franchisee’s Protected Territory, for any purpose whatsoever. Direct Communications Service, Inc. does not have the right to use such service marks, logos, designs, trademarks, trade dress and trade names as may presently exist or which may be modified, changed, or acquired by TAB or its Affiliates in connection with the operation of the SBL System, including, but not limited to, the “Strategic Business Leadership[®]” trademark (the “**SBL Marks**”).

2. PROTECTED TERRITORY

2.1 PROTECTED TERRITORY.

(a) Franchisee's Protected Territory. Franchisee's Protected Territory is set out on Exhibit I of this Agreement.

(b) TAB and Affiliates Prohibited Activities. Subject to Section 1.2 and as long as Franchisee is not in Default of this Agreement, during the Initial Term and Interim Period, TAB and its Affiliates will not engage in or license others to engage in:

(i) The operation of a Business in Franchisee's Protected Territory; or

(ii) Soliciting prospective Members with offices only in Franchisee's Protected Territory for participation in Boards that Franchisee does not promote, organize and conduct Board Meetings in full compliance with TAB's requirements ("**Facilitate**"), except for prospective Members that have (1) a relationship with Franchisee that existed before the Effective Date, or that developed out of an association that occurred naturally and was not solicited, (2) been referred to Franchisee by a Member or other party who personally knows the referred prospective Member (so long as such referring party did not solicit such prospective Member outside Franchisee's Protected Territory on Franchisee's behalf), or (3) attended a Marketing Event in Franchisee's Protected Territory presented by Franchisee before the Effective Date if Franchisee was an authorized Contract Facilitator for TAB or for another franchisee before Franchisee became a franchisee ("**Prospect Exceptions**"), and those prospective Members that have offices within and outside Franchisee's Protected Territory.

(c) Exclusivity Exceptions. TAB may not offer the exclusivity described above in Section 2.1(b) for Protected Territories located in certain major metropolitan areas. Such exceptions will be made in TAB's sole discretion and disclosed to any potential franchisee considering such a Protected Territory.

(d) Characteristics of Franchisee's Protected Territory. Franchisee acknowledges that Franchisee's Protected Territory may vary significantly in terms of size, number of total businesses and demographics from the protected territories of other franchisees due to density of population, business potential, business practice or any other conditions deemed important by TAB, and TAB will have no obligation to grant Franchisee like or similar variations.

2.2 **MINIMUM PERFORMANCE REQUIREMENT.** Beginning on the tenth month from Franchisee's the date Franchisee begins the operation of Franchisee's Business (the "**Start of Business Operations**"), Franchisee will be required to collect a minimum amount of TAB Membership Revenue each Assessment Period (the "**Minimum Performance Requirement**"). This Minimum Performance Requirement is equal to five (5) times the monthly Minimum Royalty for the Assessment Period. "**Assessment Period**" means a Calendar Quarter. "**TAB Membership Revenue**" means the Membership Dues and Business Assessment Fees collected on a monthly basis. If Franchisee's tenth month from Franchisee's Start of Business Operations does not fall in the beginning of a Calendar Quarter, the Minimum Performance Requirement for the first Assessment Period will be pro-rated. If Franchisee does not meet the Minimum Performance Requirement in a given Assessment Period, TAB may require Franchisee to participate in a remedial process detailed in the Operations Manual. **If Franchisee fails to comply with the remedial process as determined by TAB, or Franchisee continues to fail to meet the Minimum Performance Requirement in any two (2) consecutive Assessment Periods or more than four (4) times in any twenty-four (24) month period, TAB has the right to revoke Franchisee's exclusive Protected Territory and to operate Businesses or authorize third parties to operate Businesses anywhere within Franchisee's Protected Territory.**

2.3 TERRITORY SIZE. Franchisee's Protected Territory will be classified as one of the following:

(a) Major Market Territory. A major market territory (an "**MM Territory**") is a Protected Territory comprised of certain ZIP codes, postal codes and/or counties from which a franchisee intends to operate a Business containing certain demographic and geographic characteristics; or

(b) Non-Major Market Territory. A non-major market territory (an "**NMM Territory**") is a Protected Territory comprised of certain ZIP codes, postal codes and/or counties from which a franchisee intends to operate a Business that TAB reasonably believes does not have the demographic and geographic characteristics to qualify as an MM Territory. An NMM Territory is only offered in TAB's sole discretion when no MM Territory is available in the geographic region where the proposed Business is to be located.

3. TERM

3.1 INITIAL TERM. The Initial Term of this Agreement will be for a period of years as set out in Exhibit I, commencing with Franchisee's Start of Business Operations, unless terminated sooner in accordance with this Agreement.

3.2 INTERIM PERIOD.

(a) Holding Over. If Franchisee does not sign the then-current Franchise Agreement prior to the expiration of the Initial Term or any additional term (a "**Successor Term**") as set out in Section 4.1(b), and Franchisee continues to accept the benefits of this Agreement after it expires, then, at TAB's option, this Agreement may be treated as either (1) expired as of the date of expiration with Franchisee then operating without a license to do so and in violation of TAB's rights, or (2) continued for a period (the "**Interim Period**") until one party provides the other with written notice of such party's intent to terminate the Interim Period, in which case the Interim Period will terminate thirty (30) days after receipt of the notice. In the latter case, all of Franchisee's and TAB's obligations will remain in full force and effect during the Interim Period (except as provided for in Section 3.2(b)) as if the Agreement had not expired, and all obligations and restrictions imposed on Franchisee upon expiration of this Agreement will be deemed to take effect upon termination of the Interim Period.

(b) Fees During Hold Over. If, for any reason, Franchisee continues to operate the Business beyond the Initial Term or any subsequent Successor Term, Franchisee will pay to TAB on a monthly basis a fee as set out in Section 5.2(p).

3.3 EARLY TERMINATION. On or after the third anniversary of Franchisee's Start of Business Operations, Franchisee may terminate this Agreement by providing TAB with written notice that Franchisee is exercising Franchisee's right of early termination. To terminate the Agreement, Franchisee will be required to sign TAB's then-current Voluntary Termination and Release Agreement and pay an early termination fee as set out in Section 5.2(u). All post-termination provisions will apply.

4. SUCCESSOR TERM

4.1 SUCCESSOR TERM. Upon the expiration of the Initial Term of this Agreement, Franchisee will have the option to renew Franchisee's right to operate the Business for additional Successor Terms if Franchisee meets the following conditions. If Franchisee fails to meet the following conditions, TAB may refuse to renew Franchisee's right to operate the Business for additional Successor Terms.

(a) Franchisee delivers written notice to TAB of Franchisee's intent to renew. The notice must be received no earlier than twelve (12) months and not later than six (6) months prior to the expiration date of the Initial Term or Successor Term under which Franchisee is then operating;

(b) Not later than ninety (90) days before the expiration date of the Initial Term or Successor Term (as applicable), Franchisee will execute the then-current form of Franchise Agreement. The new Franchise Agreement will supersede this Agreement and may contain materially different terms and fees from those contained in this Agreement. There will not be another Initial Franchise Fee charged in connection with the extension of Franchisee's right to operate the Business. IN TAB'S SOLE DETERMINATION, FRANCHISEE MAY BE DEEMED TO HAVE IRREVOCABLY DECLINED TO EXTEND FRANCHISEE'S RIGHTS TO OPERATE THE BUSINESS (AND FRANCHISEE'S OPTION TO RENEW WILL THEREUPON TERMINATE) IF FRANCHISEE FAILS TO EXECUTE AND RETURN TO TAB THE THEN-CURRENT FORM OF FRANCHISE AGREEMENT AND OTHER DOCUMENTS REQUIRED BY TAB WITHIN THIRTY (30) DAYS AFTER THEIR DELIVERY TO FRANCHISEE OR FRANCHISEE FAILS TO COMPLY IN ANY OTHER WAY WITH THE PROVISIONS OF THIS SECTION 4;

(c) Not later than ninety (90) days before the date of expiration of this Agreement, Franchisee will pay TAB a renewal fee (the "**Renewal Fee**") in the amount set out in Section 5.2(q);

(d) Franchisee, Managing Party and Franchisee's owners must have executed and delivered to TAB a general release (in a form prescribed by TAB) of all claims against TAB and its Affiliates;

(e) Prior to expiration of the Initial Term or any Successor Terms, Franchisee will have attended and satisfactorily completed such refresher training, if any, as TAB may require as a condition of renewal, in its sole discretion and pay TAB the then-current fees for such refresher training, if any;

(f) Franchisee must have cured any and all curable Defaults under this Agreement and any other agreement between Franchisee and TAB and its Affiliates. Franchisee's failure to cure any such Defaults or the existence of any such Defaults which by their nature are not curable by the date that is ninety (90) days before the expiration of the applicable Initial Term or Successor Term will invalidate and nullify any right Franchisee may have to renew the right to operate a Business;

(g) Franchisee must not have committed and received notice of two (2) or more Defaults of this Agreement in the twenty-four (24) months prior to the end of the Initial Term or any Successor Term, even if such Defaults were timely remedied;

(h) Franchisee, Managing Party, Franchisee's owners, and Guarantors must be in compliance with TAB's then-current qualifications and standards; and

(i) Franchisee must have all licenses, insurance, registrations and approvals required by TAB or applicable governing authority to operate the Business in Franchisee's Protected Territory, if any.

5. PAYMENTS TO TAB OR THIRD PARTIES

5.1 PAYMENTS DUE AT TIME OF FRANCHISE AGREEMENT EXECUTION. Franchisee must pay the following amounts to TAB at the time Franchisee signs this Agreement. These fees are non-refundable:

(a) Initial Franchise Fee. A fee (the "**Initial Franchise Fee**") for the right to operate a Business of \$44,000.00 for an MM Territory or \$29,500.00 for an NMM Territory;

(b) **Initial Training Fee.** A fee (the “**Initial Training Fee**”) of \$19,500.00 for the Training Program, Field Support Training Services, Advanced Business Development Training and New TAB Franchisee Business Coaching provided by TAB (collectively, the “**Initial Training Program**”);

(c) **Marketing Fee.** A fee (the “**Marketing Fee**”) of \$2,188.00 for marketing support (the “**Marketing Support**”) provided by TAB or its Affiliates or designees as described in the Operations Manual to assist Franchisee in conducting marketing campaigns (“**Mass Marketing Campaigns**”) as part of Franchisee’s Business to solicit prospective Members with offices in Franchisee’s Protected Territory who operate businesses that meet certain Member specifications set out in the Operations Manual (“**Prospects**”) to attend an event that prospective Members in Franchisee’s Protected Territory are invited to attend to learn about the value of TAB membership (a “**Marketing Event**”) or a one-on-one meeting to become Members.

5.2 **PAYMENTS DUE AFTER FRANCHISE AGREEMENT EXECUTION.** In addition to other fees and charges as may be described elsewhere in this Agreement, Franchisee will pay the following fees and charges to TAB, its Affiliates or third parties, as designated by TAB. The fees and charges are not refundable under any circumstance.

(a) **Royalty Fee.** During the nine (9) months beginning on Franchisee’s Start of Business Operations, Franchisee will pay TAB a monthly fee (the “**Royalty Fee**”) in the amount of twenty percent (20%) of the first \$125,000.00 of Calendar Year gross revenue derived from Membership Dues, Business Assessment Fees, and revenue from Supplemental Products and Services (if any) (the “**Gross Revenue from the TAB Opportunity**”), and ten percent (10%) of the Calendar Year Gross Revenue from the TAB Opportunity equal to \$125,001.00 and greater, as follows:

AMOUNT OF ANNUAL GROSS REVENUE FROM THE TAB OPPORTUNITY	ROYALTY FEE
\$0.00 to \$125,000.00	20%
\$125,001.00 and greater	10%

Beginning on the tenth month, Franchisee will pay TAB a monthly Royalty Fee in the amount of the greater of the Royalty Fee above or the applicable monthly minimum royalty fee described below (the “**Monthly Minimum Royalty Fee**”), as follows:

MONTHS FROM FRANCHISEE’S START OF BUSINESS OPERATIONS	MONTHLY MINIMUM ROYALTY FEE
10 to 13	\$450.00
14 to 18	\$900.00
19 to 24	\$1,350.00
25 and remainder of the Initial Term for an NMM Territory	\$1,500.00
25 and remainder of the Initial Term for an MM Territory	\$1,800.00

Franchisee will not pay the Royalty Fee on revenue generated from providing business consulting services to Members or non-Members (provided that the business consulting services do not include tools and programs introduced, developed or promoted by TAB). If Franchisee purchases an ongoing Business from a franchisee, Franchisee will pay TAB a monthly fee that is the GREATER of the Royalty Fee

above or the monthly Minimum Royalty Fee in the amount of \$1,800.00 for an MM Territory or \$1,500.00 for an NMM Territory beginning the first month of Franchisee's Start of Business Operations. Notwithstanding anything in this Agreement to the contrary, Franchisee will not pay a royalty on fees paid by Members for their registration as a new Member ("**Business Assessment Fees**") in addition to the amount required by Section 5.2(s);

(b) Field Support Training Services Fee for Additional Field Support Training Services. If TAB provides Franchisee with additional support and training at the time periods scheduled by TAB as set out in the Operations Manual (the "**Field Support Training Services**") after the completion of Franchisee's Initial Training Program, Franchisee will pay the then-current fee TAB charges for additional Field Support Training Services (the "**Field Support Training Services Fee**"). The Field Support Training Services Fee is due upon receipt of invoice or may be deducted from the Gross Revenue from the TAB Opportunity, and other fees invoiced and collected by TAB on Franchisee's behalf from Franchisee's Members through TAB's billing and collection services, in TAB's discretion;

(c) FST Travel and Living Expenses. Franchisee will pay the travel, accommodation and living expenses (the "**FST Travel and Living Expenses**") incurred by a individual who provides Field Support Training Services to Franchisee (an "**FST**") during the period the FST provides Field Support Training Services for each consecutive four (4) days that Franchisee receives Field Support Training Services. Franchisee will pay certain FST Travel and Living Expenses directly to third party travel and restaurant suppliers. Payment for any FST Travel and Living Expenses paid directly by TAB will be due upon Franchisee's receipt of invoice;

(d) Promotional Materials. "**Promotional Materials**" means brochures, books, videos, DVDs, CDs, slides, forms, and other promotional materials TAB requires Franchisee to have for use in Franchisee's Business, including the New Member Kits, Start-Up Materials or such additional or replacement items that TAB may determine. Franchisee will order an initial set of kits with general membership information for Franchisee's new Members ("**New Member Kits**") at no charge in the amounts specified by TAB. Franchisee will purchase additional New Member Kits at TAB's then-current rate, plus shipping. Franchisee will purchase the initial set of branded folders, brochures and/or such additional or replacement items that TAB may determine (the "**Start-Up Materials**") at TAB's then-current rate, plus shipping;

(e) Supplemental Products and Services. If required by TAB, Franchisee will pay TAB the then-current costs for any Supplemental Products and Services, if any, Franchisee offers through Franchisee's Business. Prices may include a mark-up reasonable to TAB;

(f) Other Products and Services. Franchisee will pay TAB the then-current fees for any additional products and services it may offer to Franchisee from time to time. Prices may include a mark-up reasonable to TAB;

(g) Member Administration and Support Fee. Beginning on the earlier of the first month after Franchisee's Start of Business Operations or the date specified in Exhibit I, Franchisee will pay TAB a monthly fee (the "**Member Administration and Support Fee**") at the then-current rate for each of Franchisee's Members;

(h) International Conference Facilitator Registration Fees. Franchisee will pay the then-current fee (the "**International Conference Facilitator Registration Fee**") for Franchisee or Managing Party and one (1) additional attendee to attend the conference produced by TAB at such location designated by TAB (the "**International Conference**") regardless of attendance (although attendance is mandatory). This International Conference Facilitator Registration Fee is for the programming dedicated

solely to the portion of the International Conference intended for an individual who promotes, organizes and conducts Board Meetings in full compliance with TAB's requirements (a "**Facilitator**") or the act thereof and does not include any Member conference expense. If Franchisee elects to have additional attendees at the International Conference over the two (2) attendees included in the then-current International Conference Facilitator Registration Fee, Franchisee will pay TAB the then-current fee for additional attendees. Franchisee will also pay for all travel and living expenses for Franchisee, Managing Party and any additional participants who attend International Conferences;

(i) Confirmation Promotional Gift. Franchisee will receive an initial set of items Franchisee can deliver to a person that signs up to attend a Marketing Event (a "**Confirmation Promotional Gift**") at no charge in the amounts specified by TAB. TAB may charge its then-current rate, plus shipping, for additional Confirmation Promotional Gifts;

(j) Coaching Service Fees and Expenses. Franchisee will pay TAB the then-current coaching service fees and expenses for the period Franchisee receives business coaching services conducted by a business coach designated by TAB (the "**Coaching Services**") after Franchisee's Initial Training Program as set out in Section 7.1(b). Franchisee is also responsible for all applicable telephone or other communication expenses incidental to the provision of the Coaching Services;

(k) Contract Facilitator Training Fee. If Franchisee elects to engage an individual to form and/or facilitate Boards and to provide coaching to Members (a "**Contract Facilitator**"), Franchisee will pay the then-current fee (the "**Contract Facilitator Training Fee**") for each of Franchisee's Contract Facilitators attending the required training a Contract Facilitator must satisfactorily complete to become a certified Facilitator and provider of SBL Coaching (the "**Contract Facilitator Training**"). Payment of the Contract Facilitator Training Fee is due no later than ten (10) days from the date of invoice;

(l) Marketing Development Fee. At the time Franchisee starts paying a Royalty Fee, Franchisee will pay TAB a monthly fee (the "**Marketing Development Fee**") in the amount of two percent (2%) of all dues Franchisee will charge Franchisee's Members for participating in Boards and the fees Franchisee charges Franchisee's Members for business coaching (the "**Membership Dues**") and Business Assessment Fees received by Franchisee or TAB from the operation of Franchisee's Business (the "**Gross Received Revenue**") that is deposited in a segregated commercial or savings bank account set up by TAB as a marketing fund (the "**Franchise Marketing Account**"). Beginning the thirteenth month after Franchisee's Start of Business Operations, the Marketing Development Fee will be the greater of:

- (i) \$200.00; or
- (ii) Two percent (2%) of Franchisee's Gross Received Revenue.

Franchisee's Marketing Development Fee will be deposited by TAB into the Franchise Marketing Account, as further described in Section 10.1;

(m) Technology Fee. Franchisee will pay the then-current monthly fee to TAB for the right to use the designated customer relationship management system required to be used in Franchisee's Business (the "**CRM System**") and the website TAB licenses to Franchisee for use in Franchisee's Business (the "**Satellite Website**");

(n) Additional Marketing Support Fee. Franchisee will pay the then-current fee for additional Marketing Support that Franchisee may request after Franchisee completes Franchisee's required Mass Marketing Campaign;

(o) Collection Costs. Franchisee will pay TAB, its Affiliates or a designated third party for all collection costs incurred to collect past-due sums from Franchisee's Members, provided that such expenses will not be incurred without Franchisee's prior approval;

(p) Holdover Fee. Franchisee will pay a fee to TAB if Franchisee continues to operate Franchisee's Business during the Interim Period that is the greater of:

(i) The Minimum Royalty Fee Franchisee was paying to TAB when the Initial Term of this Agreement or any subsequent Successor Term expired; or

(ii) Fifty percent (50%) of the Gross Revenue from the TAB Opportunity collected from Franchisee's Members during each month in which Franchisee continues to operate the Business pursuant to Section 3.2(a);

(q) Renewal Fee. Franchisee will pay a Renewal Fee of \$5,000.00;

(r) Transfer Fee. Franchisee will pay a fee for any Transfer (the "**Transfer Fee**") of \$7,500.00;

(s) Business Assessment Fee. For each new Member, Franchisee will pay TAB a portion of the Business Assessment Fee in the amount that is the greater of:

(i) \$100.00; or

(ii) Twenty percent (20%) of the Business Assessment Fee;

(t) LinkedIn Prospecting Service Fee. If Franchisee elects to use TAB's recommended third-party supplier, Franchisee will pay the then current rate each month; and

(u) Early Termination Fee. If Franchisee elects to terminate the Agreement on or after the third anniversary of Franchisee's Start of Business Operations, Franchisee will pay twenty-seven percent (27%) of the remaining Minimum Royalty payments due under the Agreement as further described in Section 3.3.

5.3 PAYMENT TERMS.

(a) Method of Payment. TAB will use its reasonable efforts to collect the Gross Revenue from the TAB Opportunity, and other fees invoiced or collected by TAB on Franchisee's behalf from Franchisee's TAB Members through TAB's billing and collection services (the "**Amounts Collected on Franchisee's Behalf**"). After deducting the fees or amounts Franchisee owes TAB or its Affiliates, TAB will pay Franchisee the balance of Amounts Collected on Franchisee's Behalf on or about the tenth business day of each month. TAB will have no responsibility to Franchisee for Franchisee's share of any Amounts Collected on Franchisee's Behalf if a Member fails to pay TAB any sums owed. Franchisee bears the risk of uncollectibility from Franchisee's Members. At TAB's determination, certain fees may be payable in accordance with the terms and conditions of the invoice sent to Franchisee, provided that nothing herein is intended to prevent TAB from deducting any fees and sums owed by Franchisee to TAB or its Affiliates from Amounts Collected on Franchisee's Behalf. Franchisee is prohibited from directly billing Franchisee's Gross Revenue from the TAB Opportunity without TAB's prior written approval. All such billing will be provided by TAB as part of the Member Administration and Support Fee unless

otherwise determined by TAB. Franchisee is responsible for Franchisee's billing for Franchisee's consulting services that do not include tools and programs introduced, developed or promoted by TAB.

(b) Shipping. Franchisee will pay all shipping costs, according to the terms of the invoices from TAB, its Affiliates or third parties.

(c) Credit Card Fees; EFT Fees. For any Gross Revenue from the TAB Opportunity paid by a credit card accepted by TAB or electronic fund transfers, the credit card fees and electronic funds transfer fees will be allocated as follows:

(i) Franchisee will pay eighty percent (80%) of the credit card fees and TAB will pay twenty percent (20%) of the credit card fees for Membership Dues, Business Assessment Fees and any revenue obtained through tools introduced or promoted by TAB and revenue through Ancillary Business Services provided to Members ("**Additional Revenue from the TAB Opportunity**") (other than Additional Revenue from the TAB Opportunity billed directly by Franchisee); and

(ii) Franchisee is solely responsible for any electronic funds transfer fees.

Franchisee is prohibited from arranging for separate credit card processing or electronic funds transfer processing for Franchisee's Business. Franchisee may arrange for Franchisee's credit card processing for any consulting or other business services if such consulting or other business services are not the same as or similar in nature to those that form a part of the TAB Business or Licensed Methods or qualify as Competitive Activity (an "**Ancillary Business**"). If Franchisee pays any initial fees set out in Section 5.1 by credit card, Franchisee is responsible for paying one-hundred percent (100%) of the applicable credit card fees.

(d) Interest On Late Payments; Late Fees. All amounts, fees and charges which Franchisee owes to TAB, its Affiliates or service providers will bear interest from the date due until fully paid at the lesser of eighteen percent (18%) per annum or the maximum rate allowable by applicable law. TAB may also assess its then-current late charge for any late or non-submittals or reports, tips or the like.

(e) Application of Payments and Right to Offset. If the Amounts Collected on Franchisee's Behalf are not sufficient to pay the applicable fees and amounts owed to TAB or its Affiliates in any given month, TAB will bill Franchisee for the difference, and Franchisee must pay this amount directly to TAB within seven (7) days of the date of notice from TAB of the deficiency. If Franchisee fails to pay such amounts when due, in addition to any other rights and remedies that TAB may have, TAB may deduct and offset the amounts due, plus any applicable penalties, late fees and/or interest, from Amounts Collected on Franchisee's Behalf in the future. TAB will have sole discretion to apply any payments received from Franchisee or any indebtedness of TAB to Franchisee against any past due indebtedness of Franchisee, Managing Party or Franchisee's affiliates to TAB or its Affiliates of whatever nature and without regard to when such indebtedness arose and/or to interest.

(f) Payment of Taxes. Franchisee is solely responsible for paying any withholding, federal and state income taxes, social security taxes, sales taxes and any other taxes incurred on behalf of Franchisee, Managing Party, Franchisee's owners, contractors, employees or Franchisee's Business. Franchisee will reimburse TAB, its Affiliates and designees, promptly and when due, the amount of all sales taxes, use taxes, personal property taxes, and similar taxes imposed upon, required to be collected by, or paid by TAB, its Affiliates or designees, on account of services or goods furnished to Franchisee by TAB, its Affiliates or designees, through sale, lease or otherwise or on account of collection by TAB, its Affiliates or designees, on any payments or fees made by Franchisee to TAB, its Affiliates or designees required under the terms of this Agreement.

(g) Increases for Fees, Products, and Services. TAB has the right to increase any fees due from Franchisee and charges for any products, materials and services provided to Franchisee (whether referred to in this Section 5 or elsewhere in this Agreement), based on TAB's business judgment, from time to time. TAB will notify Franchisee of such increases at least thirty (30) days before they go into effect. Annual increases in the Minimum Royalty Fee are limited to the percentage increase in the Consumer Price Index calculated on the same date each year that the annual increases in the Minimum Royalty Fee, products and services are determined. The annual adjustment to the Minimum Royalty Fee, if any, will be applied beginning the first January following Franchisee's first full twelve (12) months after Franchisee's Start of Business Operations and each January thereafter, based on the previous Calendar Year's Consumer Price Index. Notwithstanding anything in the Agreement to the contrary, the prices will never decrease below the prices for the same items in the previous year. The ten percent (10%) or twenty percent (20%) Royalty Fee will not be subject to a Consumer Price Index increase.

(f) Refunds. If TAB refunds any Amounts Collected on Franchisee's Behalf, Franchisee will be required to return to TAB any funds TAB distributed to Franchisee from such Member that are the subject of such refund within ten (10) days of the date of invoice sent by TAB.

6. SERVICES AND ASSISTANCE PROVIDED BY TAB

6.1 TAB'S SERVICES. TAB will offer Franchisee such initial and continuing services prior to Franchisee's Start of Business Operations that TAB deems necessary or advisable in furthering Franchisee's Business and the Licensed Methods as a whole. TAB's failure to provide any particular service, either initial or continuing, will not excuse Franchisee from any of Franchisee's obligations under this Agreement.

6.2 INITIAL SERVICES. Currently, the initial services provided by TAB, its Affiliates, designees or area developers prior to Franchisee's Start of Business Operations will include:

- (a) Designating Franchisee's Protected Territory as stipulated in Section 2.1(a) and Exhibit I;
- (b) Providing an up to eight (8) day-long initial training program conducted by TAB or its designee at TAB's corporate headquarters, or at such other location designated by TAB (the "**Training Program**") as part of the Initial Training Program as further described in Section 7.1(a)(i);
- (c) Providing Franchisee with home study materials prior to Franchisee attending the Training Program;
- (d) Loaning Franchisee the Operations Manual. The Operations Manual is further described in Section 6.4;
- (e) Providing Franchisee with an initial set of Confirmation Promotional Gifts and New Member Kits. Franchisee will pay shipping costs. Additional copies of Confirmation Promotional Gifts and New Member Kits may be provided to Franchisee at Franchisee's request. TAB will charge Franchisee its then-current reproduction fees and shipping;
- (f) Providing Franchisee with a license to use the CRM System;
- (g) Providing Franchisee with the Satellite Website;

(h) Providing Franchisee with access to the Intranet available to Facilitators (the “**Facilitator Intranet**”); and

(i) Providing Franchisee with guidance, strategy and advice for Franchisee’s Business at Franchisee’s reasonable request during TAB’s regular business hours via the telephone, e-mail or other means determined by TAB.

6.3 CONTINUING SERVICES. Currently, the continuing services provided by TAB, its Affiliates, designees or area developers after Franchisee’s Start of Business Operations include:

(a) For the Member Administration and Support Fee, providing Franchisee with administration services including:

(i) Invoicing and routine collections for the Membership Dues and Business Assessment Fees. TAB reserves the right to cease billing a Member that has resigned for future Membership Dues;

(ii) Sending payment reminder notices;

(iii) Developing, producing and distributing the “Tips from the Top[®]” newsletter to Franchisee and Franchisee’s Members. The newsletter will be distributed through the method determined by TAB;

(iv) Sending, reviewing and evaluating periodic surveys and/or evaluations to Franchisee’s Members;

(v) Providing access to a Member Intranet;

(vi) Providing periodic reports and/or newsletter for franchisees with ideas and advice about the Business; and

(vii) Providing various membership administrative functions, from time to time, in TAB’s determination.

(b) Providing the Field Support Training Services, training in business development as described in the Operations Manual (the “**Advanced Business Development Training**”), and assigning Franchisee a designated business coach to provide Franchisee with business coaching from a business coach designated by TAB (the “**New TAB Franchisee Business Coaching**”) as part of the Initial Training Program as further described in Sections 7.1(a)(ii), (iii) and (iv);

(c) Producing an annual International Conference;

(d) At TAB’s discretion, providing Franchisee with public relations release formats, local marketing plans and materials, and other promotional and marketing materials, including, without limitation, newspaper ads, radio commercials, sales aids, and other promotional and marketing materials for use by Franchisee in Franchisee’s Protected Territory. Franchisee will pay any duplication costs for such materials;

(e) Providing Franchisee with Marketing Support for the required Mass Marketing Campaign;

(f) Providing the New TAB Franchisee Business Coaching for the period defined in the Operations Manual. TAB may change Franchisee's designated business coach at any time;

(g) Providing Franchisee with such further training (the "**Continuing Advanced Training**") as TAB may determine from time to time. Franchisee will pay Franchisee's communication costs to participate in the Continuing Advanced Training;

(h) Subject to availability, providing Franchisee with Contract Facilitator Training for Franchisee's Contract Facilitators;

(i) Making a representative reasonably available to speak with Franchisee via the telephone, e-mail or other means during TAB's normal business hours, as TAB determines is necessary, to discuss Franchisee's Business and marketing, plan strategy and offer advice for Franchisee's Business. TAB may charge Franchisee for additional assistance or resources that Franchisee requests; and

(j) At TAB's discretion, developing improvements, new services and products, from time to time, for use in Franchisee's Business, including Supplemental Products and Services, which will become part of the Licensed Methods.

6.4 OPERATIONS MANUAL.

(a) General Provisions. In order to protect TAB and to maintain the standards of operation associated with the Licensed Methods, the Operations Manual may contain mandatory and suggested specifications, standards and procedures for the operation of Franchisee's Business, as well as information relative to Franchisee's other obligations hereunder. All such specifications, standards and operating procedures will be reasonable in TAB's business judgment and will not fundamentally alter Franchisee's status and rights under this Agreement. Specifications, standards, and procedures prescribed from time to time by TAB in the Operations Manual, or otherwise communicated to Franchisee in writing, will constitute provisions of this Agreement as if fully set forth herein. The official current version of the Operations Manual, and any other TAB-loaned manuals, are available online on the Facilitator Intranet.

(b) Changes to Operations Manual and Licensed Methods. Franchisee understands and agrees that due to changes in competitive circumstances, presently unforeseen changes in the needs of customers and/or presently unforeseen technological and other innovations, the Licensed Methods may change to best serve the interests of TAB, Franchisee, other franchisees and licensees, and the Licensed Methods. Franchisee expressly understands and agrees that TAB may from time to time, in its sole discretion, (1) change the components of the Licensed Methods, (2) delete, add to, or otherwise modify the products and services which Franchisee's Business is authorized to offer, (3) change, improve or modify the Trademarks, and (4) delete, add to or otherwise modify the Operations Manual. Franchisee may be notified of such changes by any method, including but not limited to, e-mail, posting the changes to the Facilitator Intranet, mail, teleconference or facsimile. Franchisee is responsible for checking the Facilitator Intranet for changes to the Operations Manual and Franchisee will be responsible for implementing any updates and changes set out in the Operations Manual, at Franchisee's cost, regardless of whether Franchisee receives notice from TAB.

(c) Ownership of Operations Manual. Franchisee hereby acknowledges that the Operations Manual is loaned to Franchisee and will at all times remain the sole and exclusive property of TAB. Franchisee is prohibited from making copies of or otherwise disseminating the Operations Manual. Upon expiration or termination of this Agreement for any reason whatsoever, Franchisee will immediately

destroy or return to TAB all copies of the Operations Manual that Franchisee may have at TAB's discretion.

6.5 PERFORMANCE OF SERVICES.

(a) Notice. If Franchisee believes TAB has failed to adequately provide pre-opening and opening services to Franchisee as provided in this Agreement, including those required by Sections 6.2 and 6.3, Franchisee will notify TAB in writing within thirty (30) days following the completion of such services provided. Absent the timely provision of such notice to TAB, Franchisee will be deemed to conclusively acknowledge that all pre-opening and opening services required to be provided by TAB were sufficient and satisfactory in Franchisee's judgment.

(b) Level of Service. TAB is not obligated to perform services set forth in this Agreement to Franchisee's particular level of satisfaction, but as a function of TAB's experience, knowledge and business judgment. TAB does not represent or warrant that any other services will be provided to Franchisee other than as set forth in this Agreement. To the extent any other services, or any specific level or quality of service is expected, Franchisee must obtain a commitment to provide such service or level of service in writing signed by an authorized officer of TAB; otherwise, TAB will not be obligated to provide any other services or specific level or quality of services.

7. TRAINING

7.1 TRAINING PROGRAMS.

(a) Initial Training Program. TAB or its designee will provide Franchisee with an Initial Training Program that consists of:

(i) Training Program. Prior to Franchisee's Start of Business Operations, an up to eight (8) day-long training program at TAB's corporate training and support location, or such other location designated by TAB. Franchisee or Managing Party must attend and satisfactorily complete the Training Program within six (6) months of signing this Agreement. The dates of Franchisee's scheduled Training Program are set forth in Exhibit I. Franchisee must complete any home study requirements in the Operations Manual prior to attending the Training Program.

(ii) Field Support Training Services. TAB will provide Franchisee with Field Support Training Services for up to eight (8) days at the period of time designated by TAB. Franchisee is responsible for the FST Travel and Living Expenses as described in Section 5.2(c).

(iii) Advanced Business Development Training. At the time scheduled by TAB, TAB will conduct for up to two (2) days Advanced Business Development Training at TAB's corporate training and support location, or such other location or means designated by TAB. Franchisee must attend and satisfactorily complete the Advanced Business Development Training at such time as designated by TAB. Franchisee must complete any home study requirements in the Operations Manual prior to attending the Advanced Business Development Training.

(iv) New TAB Franchisee Business Coaching. After Franchisee completes the Training Program described in Section 7.1(a)(i), TAB or its designated business coach will provide Franchisee with, and Franchisee will participate in, New TAB Franchisee Business Coaching for the period of time and frequency set out in the Operations Manual. There is no additional fee for the initial New TAB Franchisee Business Coaching during the time period set out in the Operations Manual.

(v) Training Curriculum. The Initial Training Program curriculum will be determined by TAB and may include required home-study in addition to the classroom training. Upon satisfactorily completing the Initial Training Program, Franchisee will receive TAB's certification as a "Certified TAB Facilitator."

(vi) Number of Attendees. In addition to Franchisee or Managing Party attending the Training Program described in Section 7.1(a)(i), Franchisee may, upon TAB's prior approval and space availability, elect to have additional people attend the Initial Training Program. The Initial Training Fee will cover the costs for Franchisee or Franchisee's Managing Party to attend the Training Program described in Section 7.1(a)(i). If Franchisee elects to have additional participants attend the Training Program described in Section 7.1(a)(i), Franchisee will pay TAB the then-current fees for additional participants in accordance with TAB's invoice. Franchisee will also pay all travel, living expenses and wages, if any, that Franchisee, Managing Party and/or any additional attendees incur to attend.

(b) Coaching Services. Subject to business coach availability, Franchisee may be required by TAB to participate in additional business coaching at any time Franchisee does not meet the Minimum Performance Requirement. The services of the business coach may be provided in such manner as TAB or its designated business coach determines (e.g., by telephone, e-mail, fax and in some cases, in person). Franchisee will pay TAB its then-current coaching service fees and expenses.

(c) Continuing Advanced Training. Franchisee or Managing Party and Franchisee's Contract Facilitators, if any, will be required to participate in any Continuing Advanced Training. The Continuing Advanced Training may be provided via various methods including, but not limited to, telephone or Internet. TAB may require Franchisee or Managing Party and Franchisee's Contract Facilitators who participate in the Continuing Advanced Training to complete and satisfactorily pass exams after each Continuing Advanced Training session. TAB does not currently charge a fee for the Continuing Advanced Training, but Franchisee will pay Franchisee's communication expenses to participate.

(d) Field Support Training Services. Subject to FST availability, Franchisee may, but is not required to, request additional Field Support Training Services. If Franchisee elects to have additional Field Support Training Services, Franchisee will be required to pay the then-current Field Support Training Services Fee and the FST Travel and Living Expenses as described in Sections 5.2(b) and (c).

7.2 CONFERENCES.

(a) International Conference. TAB will produce, on an annual basis, an International Conference, at a time and place designated by TAB. Franchisee is required to attend the International Conference each year, absent extenuating circumstances acceptable to TAB. During any year, International Conferences may consist of any combination of conferences for Franchisee, Managing Party, Contract Facilitators or Members.

(b) Periodic Conferences and Seminars. TAB may, but is not required to, hold additional mandatory or voluntary conferences for Franchisee, Managing Party, Members and/or Contract Facilitators. TAB will not require Franchisee, Managing Party or Contract Facilitators to attend more than two (2) mandatory conferences in any Calendar Year. The International Conference Registration Fee does not include costs to attend a Member conference.

7.3 CONTRACT FACILITATOR TRAINING.

(a) Scheduling. Specific class dates for the Contract Facilitator Training will be scheduled by TAB in its sole judgment and will be subject to availability and other training schedules. TAB may cancel scheduled Contract Facilitator Training if attendance criteria are not met. Any costs incurred by Franchisee or Franchisee's Contract Facilitator as a result of any such cancellation, including, without limitation, any cost of re booking flights or accommodations, will be Franchisee's sole responsibility.

(b) Conditions for Attending. Franchisee must submit to TAB a fully-executed the form of contract facilitator agreement (including all exhibits, ancillary documents and guarantees attached thereto) to be entered into by Franchisee and Franchisee's Contract Facilitators (a "**Contract Facilitator Agreement**") and the then-current Contract Facilitator Training Fee in accordance with Section 5.2(k) prior to any Contract Facilitator attending Contract Facilitator Training.

8. FRANCHISEE'S DUTIES; OBLIGATIONS AND OPERATING STANDARDS

8.1 TRAINING. In addition to the other obligations set forth in other sections of this Agreement, Franchisee is required to do the following, and restricted from doing those things where noted.

(a) Training Programs. Franchisee or Managing Party will attend and successfully complete the Initial Training Program and any Continuing Advanced Training that TAB may choose to offer. If Franchisee or Managing Party fails to satisfactorily complete the Initial Training Program or Advanced Business Development Training, TAB may require Franchisee or Managing Party to re-take the Initial Training Program or portion thereof and pay the then-current training Initial Training Fee, if any;

(b) Training Program for New Managing Party. If Franchisee replaces a Managing Party that previously attended and satisfactorily completed the Training Program described in Section 7.1(a)(i), the new Managing Party must attend and satisfactorily complete the Training Program described in Section 7.1(a)(i) and the Advanced Business Development Training within thirty (30) days of becoming a Managing Party or such other period as agreed to by TAB. Franchisee will pay TAB the then-current Initial Training Fee and Advanced Business Development Training fee, if any;

(c) Training Program for Additional Owners. If Franchisee has any minority owners involved in Facilitation, SBL Coaching or marketing of Franchisee's Business, the minority owner must attend and satisfactorily complete the Training Program described in Section 7.1(a)(i) and the Advanced Business Development Training prior to engaging in any Facilitation, SBL Coaching or marketing of Franchisee's Business. Franchisee will pay TAB the then-current Initial Training Fee and Advanced Business Development Training fee, if any; and

(d) Contract Facilitator Training. Franchisee is required to have Franchisee's Contract Facilitators successfully complete the Contract Facilitator Training prior to Facilitating any of Franchisee's Boards or providing SBL Coaching to Franchisee's Members.

8.2 CONFERENCES. Franchisee or Managing Party must attend up to two (2) mandatory conferences and/or International Conferences in any Calendar Year. Franchisee will use Franchisee's best efforts to encourage Franchisee's Members to attend all Member conferences that TAB may produce for Members. Franchisee's Contract Facilitators may also be required to attend up to two (2) mandatory International Conferences in any Calendar Year.

8.3 OFFICE EQUIPMENT AND LOCATION.

(a) Required Equipment. Franchisee will own or lease and keep in good working order the computer hardware and software, LCD projector, phone lines, facsimile lines, Internet connection and other office equipment that TAB designates in the Operations Manual. Franchisee will also have a designated telephone line that is answered with identification of “The Alternative Board.” All costs for acquiring and maintaining Franchisee’s office equipment and communication lines will be Franchisee’s sole responsibility.

(b) Office Location. Franchisee’s office may be located in Franchisee’s home or in a commercial office space located within Franchisee’s Protected Territory.

(c) E-Mail Account. Franchisee will at all times maintain an active e-mail account and will check the account regularly.

(d) CRM System. Franchisee is required to use the CRM System designated by TAB in the Operations Manual. Franchisee will sign a CRM License Agreement at the time Franchisee signs the Agreement. Franchisee will be required to use the CRM System for at least a full Calendar Year. After one (1) full Calendar Year expires, Franchisee may elect, but is not required, to renew the license for the CRM System for additional Calendar Year periods. Franchisee is prohibited from using the CRM System for Ancillary Business services or products that are provided to non-Members or any other product or service not authorized by TAB. Franchisee is also required to update the information in the CRM System weekly. TAB will have access to the CRM System at all times. TAB reserves the right to change the designated CRM System upon prior notice to Franchisee.

8.4 START OF BUSINESS OPERATIONS. Franchisee’s Start of Business Operations is the date specified in Exhibit I. Generally, this date is the first day of the month after Franchisee successfully completes the Training Program. If Franchisee acquired Franchisee’s Business from another franchisee or Franchisee has operated as a Contract Facilitator engaged by either another TAB franchisee or TAB in a geographic area that includes some part of Franchisee’s Protected Territory, the date of Franchisee’s Start of Business Operations may be earlier as determined by TAB.

8.5 COMPLIANCE.

(a) With TAB’s System Standards and Operations Manual. Franchisee acknowledges and agrees that operation of Franchisee’s Business in accordance with the Licensed Methods, Operations Manual and all present and future TAB standards, specifications, formats, processes, requirements, instructions and procedures are the essence of this Agreement and are essential to preserve the goodwill of the Licensed Methods. Franchisee will operate Franchisee’s Business in strict accordance with the terms of this Agreement, the Licensed Methods, Operations Manual and all present and future TAB standards, specifications, formats and procedures. Failure to comply with mandatory standards, specifications, formats, processes, requirements, instructions and procedures constitutes a breach of this Agreement. All mandatory standards, specifications, formats, processes, requirements, instructions and procedures prescribed from time to time by TAB in the Operations Manual, or otherwise communicated to Franchisee, will constitute provisions of this Agreement.

(b) Modifications. Franchisee expressly agrees to abide by any modifications, changes, additions, deletions and alterations TAB makes to the Licensed Methods, Operations Manual and TAB’s standards, specifications, formats, processes, requirements, instructions and procedures. Franchisee will execute any and all documents necessary to effectuate such changes at Franchisee’s expense. Franchisee will monitor the Facilitator Intranet frequently in order to stay abreast of new developments to the

Operations Manual. Modifications, changes, deletions and alterations may require Franchisee to make additional expenditures borne by Franchisee.

(c) Required Licenses, Permits, and Certificates; Compliance With Law. Franchisee warrants and represents that Franchisee is familiar with the laws, ordinances, regulations and licensing requirements which govern the operation of a Business in Franchisee's Protected Territory. Franchisee will operate Franchisee's Business in full compliance with all applicable laws, ordinances, and regulations, including, without limitation, government regulations relating to workers' compensation insurance and unemployment insurance. Franchisee is required to obtain any approvals required by law and to comply with all laws with respect to Franchisee's marketing efforts, including, without limitation, permission to fax, call or send e-mail to prospects. Franchisee will obtain and maintain in force throughout the Initial Term, any Successor Term or any Interim Period all required licenses, permits and certificates relating to the operation of Franchisee's Business.

(d) Payments. Franchisee will pay TAB all fees due TAB under this Agreement within the time periods set out in any invoice, this Agreement or the Operations Manual.

8.6 FRANCHISEE'S BUSINESS OPERATIONS.

(a) Operation of Franchisee's Boards. After Franchisee's Start of Business Operations, Franchisee or Franchisee's Contract Facilitator will be required to Facilitate Franchisee's Boards each month. Franchisee may not conduct Board Meetings via television, cable, network, telephone, telecommunications device, computer or computer modem, closed circuit or satellite transmission or by technological means or methods in use now or developed during the Initial Term, and Successor Term or any Interim Period without TAB's written approval.

(b) TAB System and SBL System. Franchisee will use the proprietary methods, processes and systems to operate a Business, including know-how, Confidential Information, Trade Secrets, and the Licensed Methods, as they may be changed, improved, modified and further developed by TAB and its Affiliates from time to time (collectively, the "**TAB System**") for forming and Facilitating Boards and when using the service marks, trademarks, trade dress and trade names as may presently exist or which may be modified, changed or acquired by TAB or its Affiliates that they license in connection with the operation of the TAB System (the "**TAB Trademarks**"). Franchisee will use the proprietary methods, processes and system of providing business planning coaching associated with the "Strategic Business Leadership[®]" trademark including the know-how, Confidential Information, Trade Secrets, Licensed Methods and materials associated with it, as they may be changed, improved, modified and further developed by TAB and its Affiliates from time to time (collectively, the "**SBL System**") for providing planning coaching for Members, which includes a business planning process for business owners and the businesses they own, using the SBL System ("**SBL Coaching**") only to Franchisee's Members and when using the SBL Marks. Franchisee is also required to use the SBL System in Franchisee's Business. Franchisee will introduce the TAB Business Vantage[®] tool and Strategic Business Leadership[®] program to all of Franchisee's Members and will use Franchisee's best efforts to utilize such tool and program with them.

(c) Board Presentations. Franchisee will make presentations at Franchisee's Board Meetings and will attend the training for such presentations as provided in the Operations Manual.

(d) Best Efforts. Franchisee will at all times during the Initial Term, any Successor Term or any Interim Period to faithfully, honestly and diligently perform Franchisee's obligations under this Agreement, including in the promotion and development of Franchisee's Business in Franchisee's Protected Territory.

(e) Conduct. Franchisee will at all times cooperate with TAB, existing and prospective TAB franchisees, Members, and Affiliates in accomplishing the purpose of this Agreement. Franchisee will at all times give prompt, courteous, friendly, and efficient service to all current and prospective Members. Franchisee will adhere to the highest standards of honesty, integrity, fair dealing and ethical conduct when dealing with current and prospective Members, suppliers, TAB, Affiliates and the public.

(f) Presentation of Uniform Image. The presentation of a uniform image to the public is an essential element of the Licensed Methods. Franchisee's Business will offer only such types and classes of services and products, including Supplemental Products and Services, that TAB authorizes from time to time for use by Franchisee's Business as set forth in the Operations Manual and this Agreement.

(g) Cooperation. Franchisee will cooperate with and communicate directly with TAB. Franchisee will cooperate with TAB's efforts to directly communicate with Franchisee's existing and prospective Members, including, without limitation, to conduct the research and testing programs as set forth in Section 1.2(a)(iv).

(h) Contact Information. Franchisee will notify TAB of any change of Franchisee's Business or personal address, telephone number, facsimile number or e-mail address within ten (10) days of any such change.

(i) "Tips From The Top[®]" Newsletter and Participation in Message Boards. Franchisee is required to submit three (3) written business tips and points of business advice during each Calendar Quarter of each year for the "Tips From The Top[®]" newsletter. Franchisee is also required to provide advice on TAB-sponsored message boards. Submissions must comply with TAB's then-current guidelines for the publications. TAB may use the business tips or points of business advice if TAB decides to do so, in its sole discretion.

(j) Testing. As part of the Licensed Methods and as more fully set forth in the Operations Manual, TAB may require that Franchisee provide personality or behavioral testing or assessments for all of Franchisee's new Members. In addition, TAB may require that Franchisee utilize a specific type of personality or behavioral testing or assessment method or program provided by a specific vendor in accordance with Sections 8.8(a) and (b). TAB may waive the requirement to use a specific type of test or assessment or vendor if Franchisee demonstrates to TAB that Franchisee's use of TAB's test or vendor would violate an agreement Franchisee has with another vendor or test provider that pre-exists the Effective Date.

(k) Warranties and Guarantees. TAB has developed, or may develop, certain product and service warranties and guarantees that it deems to be essential to the successful operation of a Business. Franchisee will furnish all authorized warranties and guarantees to all qualified Members or prospective Members of Franchisee's Business. Franchisee will fully, accurately and clearly inform Members and other customers of Franchisee's Business about such warranties and guarantees in accordance with the policies and procedures from time to time prescribed by TAB. Franchisee will honor all proper claims under such authorized warranties and guarantees issued by Franchisee and to otherwise fully comply with the obligations of such warranties and guarantees.

(l) Promotions. Franchisee will fully participate in all such promotional campaigns, prize contests, special offers and other programs, national, regional or local in nature (including the introduction of new services, products and Supplemental Products and Services, or other marketing programs directed or approved by TAB), which are prescribed from time to time by TAB. Franchisee will be responsible for the costs of such participation. Franchisee will honor any coupons, gift certificates

or other authorized promotional offers of TAB at Franchisee's sole expense unless otherwise specified in writing by TAB.

(m) Marketing and Advertising. Franchisee will comply with the marketing requirements set out in Sections 9 and 10. Franchisee will maintain an adequate supply of Promotional Materials, and other marketing brochures, pamphlets and promotional materials as may be required by TAB from time to time.

(n) New Member Kits; TAB Business Vantage[®] Tool; Strategic Business Leadership[®] Program. Franchisee will provide each of Franchisee's new Members and re-joining Members with a New Member Kit and access to TAB Business Vantage[®] tool and Strategic Business Leadership[®] program.

(o) Contract Facilitators. Franchisee will comply with the Contract Facilitator requirements set out in Section 11.

(p) Satellite Website. Franchisee will use the Satellite Website in Franchisee's Business. Franchisee is prohibited from using the Satellite Website for Ancillary Business or any other product or service not authorized by TAB.

(o) Other Agreements. Franchisee will comply with and perform all obligations under all other agreements between Franchisee, Franchisee's owners, Managing Party or Franchisee's affiliates, and TAB or its Affiliates.

8.7 **THIRD PARTY AGREEMENTS.** Franchisee will comply with all agreements and obligations with third parties concerning Franchisee's Business, including, without limitation, all supplier agreements and terms of any Member agreements. Franchisee will pay all obligations incurred in connection with Franchisee's Business on a timely basis.

8.8 **APPROVED SUPPLIERS AND USE OF PRODUCTS.**

(a) Approved Products, Services, Supplies, Equipment and Materials. Franchisee will use the required products, services, supplies, equipment and materials approved by TAB in the manner set out in the Operations Manual in Franchisee's Business, including, but not limited to, the Promotional Materials. Franchisee must obtain TAB's prior written consent before Franchisee uses or distributes other products, services, supplies, equipment and materials or offer any other type of products or services using the Licensed Methods.

(b) Approved Suppliers. Franchisee will purchase all products, services, supplies, equipment and materials required for the operation of Franchisee's Business from manufacturers, suppliers or distributors designated or previously approved by TAB. Franchisee acknowledges and agrees that TAB or its Affiliates may be the sole designated supplier, manufacturer or distributor of certain required or non-required products, services, supplies, equipment and materials. Franchisee will purchase those items directly from TAB as specified by TAB from time to time.

(c) Rebates. Franchisee acknowledges and understands that TAB or its Affiliates may receive rebates, discounts, commissions, allowances, advantages, concessions and other benefits from such approved or recommended suppliers, manufacturers or distributors in relation to products, services, supplies, equipment and materials purchased by Franchisee. TAB is under no obligation to account for such rebates to Franchisee or to share such rebates with Franchisee.

(d) Promotional Materials. Franchisee will purchase the Promotional Materials, including books and other publications that TAB reasonably specifies and believes, in its sole discretion, will benefit Franchisee's Business.

(e) Franchisee's Suppliers. If Franchisee desires to use any product, service, supply, equipment or material not supplied by TAB or an approved supplier, manufacturer or distributor that contains or bears any Licensed Methods, the product, service, supply, equipment or material and supplier, manufacturer or distributor must first be approved by TAB in writing. TAB may withhold its approval for any reason. TAB may require the supplier, manufacturer or distributor to pay to TAB a fee, as determined by TAB in its sole discretion, for use of the Licensed Methods.

(f) Revocation of Approvals. TAB will have the right to impose reasonable limits on the number of approved suppliers, manufacturers and/or distributors of any product, service, supply, equipment or materials. TAB will be entitled to revoke its approval of any product, service, supply, equipment or materials and supplier, manufacturer and/or distributor if any (1) such product, service, supply, equipment or materials fails to continue to meet TAB's standards and specifications, (2) supplier, manufacturer and/or distributor fails to continue to meet TAB's standards and specifications, or (3) supplier, manufacturer and/or distributor breaches any agreement it may have with TAB or its Affiliates.

(g) Resales. Franchisee is only permitted to sell or otherwise provide the products, services, supplies, equipment or materials bearing or containing the Licensed Methods to Members in Franchisee's Protected Territory only in the manner authorized by TAB and to no other persons or entities. This prohibition includes former TAB franchisees and any distributor or any reseller of such products, services, supplies, equipment or materials. Franchisee cannot purchase products, services, supplies, equipment or materials bearing or containing the Licensed Methods from any of TAB's current or former TAB franchisees without TAB's prior consent, except as required by law.

8.9 OWNERSHIP AND CONTROL OF FRANCHISEE'S BUSINESS.

(a) Ownership. Franchisee (if Franchisee is an individual), or Managing Party (if Franchisee is a partnership, corporation, company or other legal entity), will, at all times, own at least fifty-one percent (51%) of the equity interest and control of Franchisee's Business. At the time of execution of this Agreement, Franchisee will provide, and at any later time at TAB's request, Franchisee or Managing Party will promptly provide, TAB with satisfactory proof of Franchisee's ownership. Franchisee will allow no changes in the ownership structure of Franchisee's Business without TAB's prior written consent.

(b) Responsibility for Operation of Franchisee's Business.

(i) Franchisee or Managing Party will be responsible for directly supervising Franchisee's Business. Franchisee has the sole right and responsibility for the manner and means by which the day-to-day operations of Franchisee's Business are determined and conducted and for achieving Franchisee's business objectives. Subject to any approval, inspection and enforcement rights reserved to TAB, this right and responsibility includes, without limitation, the employment, supervision and conditions of employment and discharge for Franchisee's employees, Contract Facilitators, and independent contractors, safety concerns and the achievement of conformity with the Licensed Methods.

(ii) TAB's retention and exercise of the right to approve certain matters, to inspect Franchisee's Business and its operation and to enforce its rights exists only to the extent necessary to protect TAB's interest in the Licensed Methods for the benefit of TAB, its Affiliates, other franchisees

and licensees. Neither the retention nor the exercise of such right is for the purpose of establishing any control, or the duty to take control, of Franchisee's Business, nor will they be construed to do so.

(c) Independent Entity. In all dealings with third parties including, without limitation, employees, suppliers, manufacturers, distributors, other franchisees, Contract Facilitators, Members and customers, Franchisee will disclose in an appropriate manner acceptable to TAB that Franchisee is an independent entity licensed by TAB. Any time Franchisee, Managing Party, Franchisee's Contract Facilitators or employees use their titles (e.g., "President"), it must be made clear that such person holds that position with Franchisee's entity and not with TAB.

(d) Management. Franchisee is prohibited from transferring, delegating, assigning or subcontracting Franchisee's obligations under this Agreement or the operation of Franchisee's Business to any third party or entity without TAB's prior approval.

(e) Guaranty. If Franchisee is a corporation, partnership, limited liability company, or other entity, or in the future become a corporation, partnership, limited liability company, or other entity, TAB will require Franchisee's officers, directors, shareholders, partners, members, managers, owners, and owner's spouses or domestic partners to sign the Guaranty and Assumption of Franchisee's Obligations, attached hereto as Exhibit III.

8.10 **NON-DISCLOSURE AND NON-COMPETITION AGREEMENTS FOR ASSOCIATES.** At any time Franchisee has an Associate as defined in the Non-Disclosure and Non-Competition Agreement attached hereto as Exhibit IV, Franchisee will have such Associate execute the Non-Disclosure and Non-Competition Agreement prior to the disclosure of any Confidential Information and Trade Secrets and deliver same to TAB within ten (10) days after such agreement is executed.

8.11 **ENFORCEMENT.** TAB may require Franchisee's compliance with the provisions of this Section 8 even if it does not require such compliance by all franchisees.

9. MARKETING

9.1 **MASS MARKETING CAMPAIGNS.**

(a) Requirement. After Franchisee's Start of Business Operations, Franchisee is required to conduct a Mass Marketing Campaign in accordance with the Operations Manual and a Marketing Support agreement.

(b) Timing. The required Mass Marketing Campaign will be conducted during the periods determined by TAB and may be subject to Franchisee's ability to satisfactorily pass the core competency exam described in the Operations Manual and FST availability. If Franchisee does not pass the core competency exam described in the Operations Manual, TAB may reschedule the required Mass Marketing Campaign. Franchisee will be responsible for any additional costs incurred for rescheduling any Mass Marketing Campaign.

(c) Prospects. The required Mass Marketing Campaign will attempt to reach Prospects in Franchisee's Protected Territory in the manner set out in the Operations Manual.

(d) Costs. In addition to the Marketing Fee, Franchisee is required to pay for all the costs to conduct the required Mass Marketing Campaign, including, but not limited to, telemarketing expenses, postage/printing, LinkedIn prospecting service fees, and costs for meeting rooms, food and equipment that meets TAB's specifications for Marketing Events in Franchisee's Protected Territory.

9.2 ADDITIONAL MARKETING REQUIREMENTS.

(a) First Year Local Marketing Requirement. In addition to the required Mass Marketing Campaign, beginning the month Franchisee completes the required Mass Marketing Campaign (as determined by TAB) and continuing throughout the balance of the first twelve (12) months from Franchisee's Start of Business Operations, Franchisee must conduct the marketing, prospecting and sales activities and programs for Franchisee's Business per the guidelines set forth in the Operations Manual ("**Additional Marketing**").

(b) Marketing Lists. The list of Prospects in Franchisee's Protected Territory (the "**Marketing List**") will contain the names and other information for Prospects in Franchisee's Protected Territory. Franchisee will be required to purchase updated additional Marketing Lists, at Franchisee's cost, once per Calendar Year.

(c) Equipment for Marketing Events. Franchisee will confirm to TAB that Franchisee has all of the required equipment necessary to present Franchisee's Marketing Events prior to the first Marketing Event of required Mass Marketing Campaign. If Franchisee fails to provide such confirmation, TAB may, but is not required to, lease such equipment for Franchisee and charge the lease payments to Franchisee.

9.3 MARKETING SUPPORT.

(a) Marketing Support for Mass Marketing Campaigns. TAB will provide Franchisee with its then-current Marketing Support as set out in the Operations Manual for the required Mass Marketing Campaign. Currently, Marketing Support may include, but is not limited to, the services described in this Section 9.3(a). TAB may change, delete, modify or otherwise alter the Marketing Support at any time. Marketing Support currently includes:

- (i) Acquiring a Marketing List for Franchisee's Protected Territory;
- (ii) Uploading the Marketing List to Franchisee's CRM System account, de-duping information and creating a Mass Marketing Campaign target list;
- (iii) Acquiring e-mails for the Marketing List when available;
- (iv) Sending up to three (3) e-mail blasts per e-mail account acquired for the required Mass Marketing Campaign target list;
- (v) Providing an initial set of Confirmation Promotional Gifts; and
- (vi) If Franchisee does not already have a CRM System or Satellite Website set up, obtaining a URL for use in Franchisee's Business, setting up the Satellite Website and providing Franchisee with access to the CRM System.

9.4 OTHER REQUIREMENTS.

(a) Marketing Reports. Franchisee will submit to TAB a marketing report by or before the fifteenth day of the month for the prior month's Additional Marketing activities and amounts spent on the required Additional Marketing in the form and requirements set out in the Operations Manual.

(b) Copies to TAB. Franchisee must include TAB as a mail/e-mail recipient in all Mass Marketing Campaigns and other activities that are part of Franchisee's Additional Marketing that Franchisee conducts without using TAB's corporate marketing department.

9.5 USE OF TAB'S METHODS. Mass Marketing Campaigns and marketing, prospecting and sales activities and programs for Franchisee's Business will be done using TAB's designated methods in accordance with and within the time frames set forth in the Operations Manual. There is no guarantee that Mass Marketing Campaigns or the other marketing, prospecting and sales activities and programs required or recommended by TAB will achieve any minimum amount of results.

9.6 MARKETING TO PROSPECTS OUTSIDE OF FRANCHISEE'S TERRITORY. Franchisee may advertise, market, or otherwise solicit for prospective Members that are outside Franchisee's Protected Territory in accordance with this Section 9 and Section 10 if:

- (a) The prospective Member is a Prospect Exception;
- (b) Franchisee has received TAB's prior written approval; or
- (c) The prospect has at least one office within Franchisee's Protected Territory.

10. ADVERTISING

10.1 FRANCHISE MARKETING ACCOUNT.

(a) Purpose. Franchisee understands and acknowledges that the Marketing Development Fee and Franchise Marketing Account are intended to maximize general public recognition and patronage of the Licensed Methods and the products and services offered by the Businesses for the benefit of all of TAB's licensees and franchisees. TAB does not guarantee that advertising expenditures from the Franchise Marketing Account will benefit Franchisee or any other franchisee or licensee directly or on a pro-rata basis. TAB undertakes no obligation to ensure that the Franchise Marketing Account expenditures in or affecting any geographic area are proportionate or equivalent to the contributions of franchisees or licensees operating in that geographic area.

(b) Use of Franchise Marketing Account. The Franchise Marketing Account may be used for any activities that TAB believes, in its sole judgment, will help the marketing efforts of the Licensed Methods, including, but not limited to, production and placement of media advertising, media relations, salaries and administrative costs and creating and testing direct response literature, social media, website development and management, direct mailings, brochures, collateral material, advertising, surveys or other public relations expenditures, including agency costs and commissions and for other similar expenses. In any fiscal year, an amount greater or less than the aggregate contribution of all franchisees and licensees to the Franchise Marketing Account in that year may be spent. The Franchise Marketing Account may borrow from TAB or other lenders to cover deficits or invest any surplus for future use. Any amounts that remain in the Franchise Marketing Account at the end of each year accrue and may be applied toward the next year's expenses.

(c) Administration. The Franchise Marketing Account will be administered by TAB. Upon Franchisee's written request, TAB will send Franchisee an annual unaudited financial statement for the Franchise Marketing Account that indicates how the funds in the Franchise Marketing Account have been spent during the previous year. TAB does not have the Franchise Marketing Account audited, so audited financial statements are not available.

(d) Overhead. TAB may use reasonable amounts from the Franchise Marketing Account to pay for TAB's or its Affiliates' administrative and overhead costs, expenses and salaries related to the administration and operation of the Franchise Marketing Account and its programs, including conducting market research, social media, website development and management, preparing material and other programs, as well as administration, collecting and accounting for Franchise Marketing Account contributions.

(e) Liability. TAB assumes no direct or indirect liability or obligation to Franchisee for collecting amounts due to any advertising account. TAB will not be liable for any act or omission with respect to the Franchise Marketing Account, including, but not limited to, maintaining, directing or administering the Franchise Marketing Account or any other advertising account. No action taken by TAB will diminish Franchisee's obligation to pay the Marketing Development Fee. Franchisee and TAB agree that their rights and obligations with respect to the Franchise Marketing Account and all related matters are governed solely by this Agreement, and neither this Agreement nor the Franchise Marketing Account creates a trust, fiduciary relationship, or similar arrangement.

(f) Termination of Franchise Marketing Account. The Franchise Marketing Account may be terminated at any time by TAB in its sole discretion. If the Franchise Marketing Account is terminated, any remaining balance in the Franchise Marketing Account will be expended as provided for in Section 10.1(b) or returned to Franchisee on a pro-rata basis, in TAB's sole determination.

10.2 LISTINGS; DOMAIN NAMES; WEBSITES.

(a) Directory Listings. Franchisee will list Franchisee's Business under the name "The Alternative Board[®]" or such other name as TAB designates in both the online yellow pages and white pages of the principal, regular business telephone directory for the largest market within Franchisee's Protected Territory. Franchisee will list Franchisee's Business in such directory categories as are specified by TAB and will use TAB's standard forms of listing, if any. Such classified directory listings may, TAB's option, be arranged for and placed by TAB and may list other franchisees and licensees of TAB who use the Trademarks that are operating within the distribution area of such directories. In such case, the cost of such advertisements will be reasonably apportioned among and paid by all franchisees and other licensees of TAB listed therein.

(b) Domain Names. Franchisee and Franchisee's Contract Facilitators are prohibited from using or registering any URL, e-mail address or website address that includes the Licensed Methods or any portion thereof (including, but not limited to, "TAB" or "The Alignment Factor"), without TAB's prior written approval. Franchisee will prohibit Franchisee's Contract Facilitators from registering such URLs, e-mail addresses or website addresses without such prior approval. If TAB grants such approval, TAB will register the requested URL, e-mail address or website address and license the same to Franchisee for Franchisee's or Franchisee's Contract Facilitator's use during the Initial Term, any Successor Term and any Interim Period or Contract Facilitator Agreement term, as the case may be. Franchisee will pay TAB for the cost to acquire the URL, e-mail address or website address and any renewals thereof. TAB owns all right, title and interest in and to any URL, e-mail address or website address that includes the Licensed Methods, or any portion thereof, used by Franchisee or any of Franchisee's Contract Facilitators.

(c) Websites. Franchisee is required to use the Satellite Website in Franchisee's Business. Neither Franchisee nor Franchisee's Contract Facilitators are permitted to use any Licensed Methods in any other website unless pre-approved by TAB in its sole determination. Franchisee will prohibit Franchisee's Contract Facilitators from using any Licensed Methods in any website without such prior

approval. All such websites must at all times comply with TAB's specific corporate brand identity guidelines as set forth in the Operations Manual.

(d) Assignment. Franchisee will execute the Conditional Assignment of Telephone and Directory Listings, Etc., attached hereto as Exhibit V, upon executing this Agreement.

10.3 OTHER ADVERTISING AND PUBLIC RELATIONS.

(a) Franchisee's Advertising Materials. Subject to Section 10.3(b), Franchisee may create advertising materials that meet TAB's standards and requirements. All Franchisee's advertising must be conducted in a dignified manner, and the marketing medium (i.e., radio, television, print media, e-mail, yellow pages, newsprint, etc.) must be preapproved by TAB.

(b) Approvals. Franchisee may only market to prospective Members or advertise Franchisee's Business using marketing and advertising materials and methods approved by TAB in the Operations Manual or otherwise in writing. Franchisee must submit all proposed marketing and advertising materials to TAB for its approval and may not use any marketing and advertising materials without TAB's written approval. TAB will approve or disapprove of proposed marketing and advertising materials within fifteen (15) days of the date TAB receives them. If TAB does not respond during the fifteen (15) day period, the marketing and advertising materials are deemed disapproved. If TAB approves the marketing and advertising materials prepared by Franchisee, TAB may use such marketing and advertising materials and make them available to other franchisees, licensees or TAB's Affiliates.

11. CONTRACT FACILITATORS

11.1 CONDITIONS; APPROVALS.

(a) Conditions. To engage a Contract Facilitator, Franchisee must meet the following conditions:

(i) Franchisee must be in compliance with the terms of this Agreement and the Operations Manual;

(ii) Franchisee or Managing Party must be Facilitating at least one (1) Board per month and providing monthly SBL Coaching;

(iii) Franchisee must provide TAB with written notice that Franchisee requests to engage a Contract Facilitator;

(iv) Franchisee's Contract Facilitator must be approved by TAB, which approval will not be unreasonably withheld;

(v) Franchisee must provide TAB with a fully-executed copy of the Contract Facilitator Agreement prior to a Contract Facilitator attending the Contract Facilitator Training;

(vi) Franchisee must pay TAB the then-current Contract Facilitator Training Fee;

(vii) Franchisee's Contract Facilitator must satisfactorily complete the Contract Facilitator Training described in Section 7.3; and

(viii) If the Contract Facilitator was introduced to Franchisee by TAB or through TAB's franchise sales process, Franchisee must pay TAB any broker commission, referral fee and sales commissions.

(b) Approvals. TAB's approval of any Contract Facilitators is not an endorsement or warranty of the Contract Facilitator. Franchisee assumes responsibility for recruiting, investigating and qualifying Franchisee's Contract Facilitators. TAB is in no way responsible for the actions or conduct of Franchisee's Contract Facilitators.

11.2 CONTRACT FACILITATOR REQUIREMENTS.

(a) Guidelines. Franchisee's creation of a sub-franchise relationship or business opportunity between Franchisee and Franchisee's Contract Facilitators is strictly prohibited by TAB. Franchisee's use of Contract Facilitators must strictly follow TAB's guidelines, as set forth in the Operations Manual, to avoid any sub-franchise relationship or a business opportunity. These guidelines include, but are not limited to, the following requirements:

(i) Franchisee must use TAB's then-current form of Contract Facilitator Agreement (subject to review by Franchisee's attorney) as provided in Section 11.3;

(ii) Franchisee and Franchisee's affiliates are prohibited from receiving any payments or reimbursements (including the Contract Facilitator Training Fee) from Franchisee's Contract Facilitators; and

(iii) Franchisee must pay for the Contract Facilitator Training Fee and for any products and services required for the operation of Franchisee's Business, which are only available from TAB, its Affiliates or from a third party who gives TAB or Franchisee a rebate.

(b) Payments by Contract Facilitators. Franchisee's Contract Facilitators may pay for the following:

(i) Payments to TAB, its Affiliates or third parties (even if TAB or Franchisee receives a rebate), for purchases of optional, non-essential or merely recommended products or services for Franchisee's Business; and

(ii) Payments directly to third parties, even if required, who are not affiliated with TAB or Franchisee for expenses relating to Franchisee's Business, such as travel expenses and regular business expenses, that Franchisee or TAB do not receive a rebate for.

(c) Failure to Provide TAB With Contract Facilitator Agreement or Attend Contract Facilitator Training. If Franchisee permits a Contract Facilitator to Facilitate a Board or provide SBL Coaching without a fully-executed Contract Facilitator Agreement delivered to TAB or without satisfactorily completing the Contract Facilitator Training, Franchisee will be in Default of this Agreement.

11.3 CONTRACT FACILITATOR AGREEMENT.

(a) Termination. Franchisee must notify TAB in writing no later than ten (10) days after termination of any Contract Facilitator Agreement.

(b) Compliance. Franchisee is responsible for assuring that the Contract Facilitator complies with the lawful obligations contained in the Contract Facilitator Agreement. Franchisee is also responsible for ensuring that Franchisee's Contract Facilitator Facilitates Franchisee's Boards and provides SBL Coaching in accordance with the requirements of the Operations Manual.

(c) Local Review. TAB makes no representations or guarantees, express or implied, that the Contract Facilitator Agreement is legal and/or enforceable in any particular state. It is Franchisee's sole responsibility and expense to verify, with a licensed attorney in the state in which Franchisee's Protected Territory is located, that the Contract Facilitator Agreement meets the requirements of all applicable laws and/or regulations in Franchisee's Protected Territory.

(d) Payments. Franchisee is solely responsible for paying Franchisee's Contract Facilitators any commissions or other payments due under the terms of the Contract Facilitator Agreement.

12. RECORDS AND REPORTS

12.1 RECORD KEEPING.

(a) Bookkeeping System. Franchisee will make use of a uniform bookkeeping system, accounting system, reporting forms and chart of accounts for Franchisee's Business that conforms to good business practices in Franchisee's Protected Territory and that may be prescribed by TAB in the Operations Manual. All required financial information will be prepared in accordance with tax basis accounting, consistently applied, and will be accurate and complete in all material respects.

(b) Record Retention. Franchisee will retain all books and records, invoices, order forms, time cards, payroll records, check stubs, bank deposit receipts, sales tax records and returns, cash disbursements journals and general ledgers used in the operation of or relating to Franchisee's Business during the Initial Term, any Successor Term and any Interim Period, and for at least three (3) years after the fiscal year to which they relate (or such longer period as may be required by law) at Franchisee's office or at a location that TAB will be kept advised of. Franchisee will retain all other pertinent information pertaining to Franchisee's Business, including, but not limited to, Member Information, reports provided to TAB that provide Member status change information or such other information as prescribed by TAB ("**Change of Membership Status Reports**"), Ancillary Business records and Franchisee's Members' contact information. Franchisee will provide to TAB, at its option, copies or originals of such records described in this Section 12.1 upon request.

12.2 REPORTS.

(a) Tax Returns. Franchisee will deliver copies of Franchisee's Business and Franchisee's sales tax returns and federal and state income tax returns within fifteen (15) days of filing such tax returns. If these tax returns show an underpayment of any amounts owed to TAB, Franchisee must pay any amounts due to TAB plus interest as provided for in Section 5.3(d) within seven (7) days of TAB's notice to Franchisee.

(b) Membership Reports. Franchisee agrees to submit to TAB, no later than the tenth day of each month, Member reports and completed Change of Membership Status Reports in the form and substance provided in the Operations Manual.

(c) Additional Revenue from the TAB Opportunity. On December 31 of each Calendar Year, or at such time as may be requested by TAB, Franchisee must submit to TAB, in a format prescribed by TAB in the Operations Manual, the annual Additional Revenue from the TAB Opportunity

for the Calendar Year. Franchisee must also represent to TAB that such reports are accurate and disclose all Additional Revenue from the TAB Opportunity.

(d) Gross Revenue from the TAB Opportunity. On December 31 of each Calendar Year, Franchisee must submit to TAB, in a format prescribed by TAB in the Operations Manual, the annual Gross Revenue from the TAB Opportunity for the Calendar Year. Franchisee must also represent to TAB that such reports are accurate and disclose all Gross Revenue from the TAB Opportunity.

(e) Supplemental Products and Services Reports. Franchisee must submit to TAB reports on sales of Supplemental Products and Services in the form for such report and at the frequency prescribed by TAB in the Operations Manual.

(f) Marketing Reports. Franchisee must submit to TAB the marketing reports described in Section 9.4(a).

(g) Use of Reports. TAB will be authorized to use information provided to TAB under this Section 12, without using Franchisee's name, to disclose the amount of such income to prospective franchisees and others, including in TAB's Franchise Disclosure Document. Franchisee will provide to TAB and authorize TAB to use any financial information that TAB may reasonably request for use in any financial performance representation. Franchisee hereby authorizes TAB to use such information under this Section 12 in accordance with this Section 12.2(g).

(h) Ownership of Records. TAB owns all right, title, interest and control in and to the Member Information and records, prospective Member information and records, and other records for Franchisee's Business relating to the Licensed Methods, all of which constitutes Confidential Information of TAB.

12.3 INSPECTIONS AND AUDITS.

(a) Right to Inspect and Audit Books and Records. TAB and/or its authorized representative will have the right to enter Franchisee's place of business during normal business hours, without prior notice, to examine, inspect and audit Franchisee's Business' bookkeeping and accounting records, sales and income tax records, tax returns and other books and records, including for Additional Revenue from the TAB Opportunity.

(b) Right to Inspect and Audit Franchisee's Business Operations. TAB will have the right to inspect and audit Franchisee's Business operations by any means determined by TAB. Such inspection includes the right by TAB or its designee to attend and observe any and all activities that are part of the Business without notice, including, without limitation, Franchisee's Board Meetings, SBL Coaching and other private coaching sessions. TAB will also have the right to review the operation and administration of Franchisee's Business by quality control testing, periodic field reviews, and such other tests, reviews, inspections and other reasonable actions deemed desirable by TAB. Except in the circumstances described in Section 12.3(d)(i)-(iv), regardless of the number of such reviews, Franchisee will only be required to pay for the reasonable travel and accommodation expenses of the TAB designee conducting the review once every thirty-six (36) months.

(c) Franchisee's Cooperation. Franchisee or Managing Party must be available upon reasonable notice by TAB during any inspections or audits described in this Section 12.3. Franchisee will fully cooperate with representatives of TAB, its designees and with independent accountants hired by TAB to conduct any inspection or audit. Franchisee represents and warrants that all information provided to TAB and/or its designees and auditors during such inspections and audits will be complete and accurate

in all material respects. The rights in this Section 12.3 survive expiration or termination of this Agreement.

(d) Audit and Inspection Results. If any examination, inspection, or audit discloses monies owed by Franchisee to TAB, Franchisee will pay to TAB, within seven (7) days after receipt of the inspection or audit report, the amount due of such understatement plus interest. TAB has the right to deduct these costs from Amounts Collected on Franchisee's Behalf. Such costs will include, without limitation, the costs, expenses and charges of any independent accountants and the travel expenses, room and board and compensation of parties employed by TAB to conduct such an examination, inspection or audit. Franchisee will also pay the reasonable costs incurred by TAB to conduct the examination, operational inspection, other inspection or audit if, such examination, inspection, or audit is made necessary by:

(i) Franchisee's failure, within thirty (30) days following specific written notice, to furnish reports, supporting records, financial statements or other documents or information as required in this Agreement or the Operations Manual;

(ii) Franchisee's failure more than two (2) times in any Calendar Year to furnish such reports, records, financial statements or other documents or information as required in this Agreement or the Operations Manual;

(iii) Disclosure that amounts due TAB have been understated by more than two percent (2%) in any consecutive period of three (3) or more months; or

(iv) Franchisee's under- or over-reporting Franchisee's Gross Revenue from the TAB Opportunity, Additional Revenue from the TAB Opportunity or other revenue generated from Franchisee's Business by more than two percent (2%).

(e) Collecting Gross Revenue from the TAB Opportunity. Franchisee is prohibited from directly billing and collecting Gross Revenue from the TAB Opportunity. If Franchisee bills and collects such Gross Revenue from the TAB Opportunity directly, in addition to TAB's other remedies, the Royalty Fee set out in Section 5.2(a) will automatically increase to fifty percent (50%) and the applicable Minimum Royalty Fee will automatically increase by fifty percent (50%).

13. PROPRIETARY MATERIALS AND TRADEMARKS

13.1 OWNERSHIP. Franchisee acknowledges and agrees that:

(a) Title. TAB owns all right, title, interest and goodwill in and to the Licensed Methods, Operations Manual, Confidential Information, Members, Trade Secrets, Satellite Website, URLs containing the Trademarks or any portion thereof, and other proprietary information provided to Franchisee by TAB, its Affiliates or on behalf of TAB or its Affiliates. Franchisee acknowledges and agrees that they have significant value;

(b) Franchisee's Right to Use. Franchisee's right to use the Licensed Methods, Operations Manual, Confidential Information, Trade Secrets, Satellite Website, URLs containing the Trademarks or any portion thereof and other proprietary information provided to Franchisee by TAB derives solely from this Agreement and TAB has the sole right to control Franchisee's use of same. Franchisee only has the right to use the Licensed Methods, Operations Manual, Confidential Information, Trade Secrets, Satellite Website, URLs containing the Trademarks or any portion thereof and other proprietary information

provided to Franchisee by TAB in the operation of Franchisee's Business during the Initial Term, any Successor Term and any Interim Period, and only in accordance with this Agreement;

(c) Benefits of Use Inure to TAB. All goodwill and usage of the Licensed Methods, Operations Manual, Confidential Information, Trade Secrets, Satellite Website, URLs containing the Trademarks or any portion thereof and other proprietary information provided to Franchisee by TAB, its Affiliates or on behalf of TAB or its Affiliates inure to the benefit of TAB. Franchisee acknowledges and agrees that Franchisee has not acquired any right, title, interest, right to use or goodwill of the Licensed Methods, Operations Manual, Confidential Information, Trade Secrets, Satellite Website, URLs containing the Trademarks or any portion thereof and other proprietary information provided to Franchisee by TAB, its Affiliates or on behalf of TAB or its Affiliates. If Franchisee acquires any such rights, title or interest, Franchisee will assign all such rights, title or interest to TAB;

(d) Works Made for Hire. Any portion of all manuals, the Operations Manual, Licensed Methods, systems, logos, designs, marketing materials, layouts of advertising materials, copyrights, writings, recordings, binders, videos, Satellite Website content, other web content, electronic files, agreements, forms, books, software and printed materials, etc., including all revisions, changes, modifications and derivatives of or to any of the foregoing, related to Franchisee's Business or provided to Franchisee by TAB, its designees or its Affiliates, including all additions, modifications, derivatives, alterations and improvements thereto (collectively, the "**Copyrighted Materials**") created by Franchisee or any other person or entity retained or employed by Franchisee are "works made for hire" within the meaning of the United States Copyright Act and are the property of TAB. TAB is entitled to use and license others to use such Copyrighted Materials unencumbered by moral rights. To the extent the Copyrighted Materials are not "works made for hire" or rights in the Copyrighted Materials do not automatically accrue to TAB, Franchisee irrevocably assigns to TAB, its successors and assigns, the entire right, title and interest in perpetuity throughout the world in and to any and all rights, including all copyrights, in such Copyrighted Materials. Franchisee and the author of such Copyrighted Materials warrant and represent that such Copyrighted Materials are created by and wholly original with the author. Where applicable, Franchisee will obtain any other assignments of rights in the Copyrighted Materials from another person or entity necessary to ensure TAB's right in the Copyrighted Materials as required by this Section 13.1(d);

(e) Ownership of Non-TAB Materials. Any rights or ownership of material not related to TAB, its Licensed Methods, Operations Manual, Confidential Information, Trade Secrets, Satellite Website, URLs containing the Trademarks or any portion thereof or other proprietary information provided to Franchisee will remain the property of the original owners and must not contain any designations, words, logos, designs or references to TAB, its Licensed Methods, Operations Manual, Confidential Information, Trade Secrets, Satellite Website, URLs containing the Trademarks or any portion thereof or other proprietary information provided to Franchisee by TAB, its Affiliates or on behalf of TAB or its Affiliates;

(f) Contest Ownership. Franchisee will never dispute, contest or challenge anywhere in the world, directly or indirectly, the validity, enforceability, registration or application for registration of the Licensed Methods, Operations Manual, Confidential Information, Trade Secrets, URLs containing the Trademarks and other proprietary information provided to Franchisee by TAB, its Affiliates or on behalf of TAB or its Affiliates or TAB's ownership therein, nor counsel, procure, or assist anyone else to do the same. Franchisee will never take any action that is inconsistent with TAB's ownership of the same, nor will Franchisee represent that Franchisee has any right, title or interest in the same other than those expressly granted by this Agreement;

(g) Cooperation. Upon TAB's request, Franchisee will cooperate fully, both before and after termination or expiration of this Agreement, in confirming, perfecting, preserving, and enforcing TAB's rights in the Licensed Methods, Operations Manual, Confidential Information, Trade Secrets, Satellite Website, URLs containing the Trademarks or any portion thereof and other proprietary information provided to Franchisee by TAB, its Affiliates or on behalf of TAB or its Affiliates. This includes, but is not limited to, executing and delivering to TAB such documents as TAB reasonably requests for any such purpose, including, but not limited to, assignments, powers of attorney, and copies of commercial documents showing sale and advertising of services and products. Franchisee hereby irrevocably appoints TAB as Franchisee's attorney-in-fact for the purpose of executing such documents; and

(h) Members. Members remain the property of TAB. Franchisee will not be permitted to assign or transfer Franchisee's right to provide Facilitation services or SBL Coaching to Members granted under this Agreement without TAB's prior approval.

13.2 PERMITTED USE. Franchisee acknowledges and agrees that:

(a) Limitation of Use. Franchisee will only use the Licensed Methods, Confidential Information, Trade Secrets, Operations Manual, Satellite Website, URLs containing the Trademarks or any portion thereof and other proprietary information provided to Franchisee by TAB, its Affiliates or on behalf of TAB or its Affiliates in the identification, marketing, promotion or operation of Franchisee's Business during the Initial Term, any Successor Term and any Interim Period and only in compliance with this Agreement and TAB's rules and guidelines set out in the Operations Manual. Franchisee acknowledges and agrees that Franchisee must obtain TAB's prior approval before using the Licensed Methods, Confidential Information, Trade Secrets, Operations Manual, Satellite Website, URLs containing the Trademarks or any portion thereof and other proprietary information provided to Franchisee by TAB, its Affiliates or on behalf of TAB or its Affiliates for purposes outside TAB's typical marketing purposes;

(b) Business Identification. Except as provided in Section 13.3(b) or otherwise in this Agreement, Franchisee will use the trademark "THE ALTERNATIVE BOARD" and/or "TAB" as the primary identification of Franchisee's Business. Franchisee will identify Franchisee as the independent owner and operator of Franchisee's Business in the manner prescribed by TAB in the Operations Manual. Franchisee will not identify Franchisee in a manner which may mislead a party to believe that Franchisee is an employee or agent of TAB. Franchisee will prominently display the Trademarks in the manner prescribed by TAB in connection with Franchisee's Business' letterhead, marketing materials, advertising, forms and packaging. Franchisee will more prominently display the Trademarks over any secondary name or designation in identifying Franchisee's Business and related products and services;

(c) Use of Trademarks With Other Trade Names. Franchisee will obtain TAB's approval in accordance with the guidelines in the Operations Manual, which approval may be withheld in TAB's sole discretion, before using Franchisee's existing trade name or business name in conjunction with the use of the Trademarks. Franchisee will obtain TAB's prior approval in accordance with the guidelines in the Operations Manual before using the Trademarks to co-sponsor an event that involves the use of the Trademarks, corporate name, other name, logo or symbol of a third party;

(d) Use of Other Trademarks. If the Trademarks may not be used by Franchisee in all or part of Franchisee's Protected Territory, Franchisee will use only such other name as TAB has approved in writing; and

(e) Notices. Franchisee will use all proper copyright and trademark notices when using the Copyrighted Material and Trademarks as set forth in the Operations Manual.

13.3 PROHIBITED USES. Franchisee acknowledges and agrees that:

(a) Unauthorized Use. Franchisee is prohibited from any unauthorized use of the Licensed Methods, Confidential Information, Trade Secrets, Operations Manual, Satellite Website, URLs containing the Trademarks or any portion thereof and other proprietary information provided to Franchisee by TAB, its Affiliates or on behalf of TAB or its Affiliates. Any prohibited use by Franchisee will constitute an infringement of TAB's rights, including in connection with the sale of an unauthorized service or product or in a manner not authorized in writing by TAB. Franchisee acknowledges that any infringement will cause substantial harm to TAB, its Affiliates, other TAB franchisees, licensees and other Businesses;

(b) Prohibited Use in Trade Names; Corporate Names; URLs. Franchisee will not use the Trademarks, anything confusingly similar thereto, or any portion thereof as part of a corporate name, trade name or as a URL (unless provided to Franchisee by TAB), or with any prefix, suffix or other modifying words, terms, designs or symbols, or in any modified form;

(c) Harm Image or Goodwill. Franchisee will safeguard and maintain the reputation and prestige of the Licensed Methods, Confidential Information, Trade Secrets, Operations Manual, Satellite Website, URLs containing the Trademarks or any portion thereof, and other proprietary information provided to Franchisee by TAB, its Affiliates or on behalf of TAB or its Affiliates. Franchisee will not do anything that would tarnish the image of or adversely affect or dilute the value, reputation or goodwill associated therewith nor counsel, procure or assist anyone else to do the same; and

(d) Prohibited Replication. Except as expressly authorized under this Agreement, Franchisee will never use, copy, or imitate or cause or permit any other party to use, copy or imitate, directly or indirectly, (1) any of the Licensed Methods, Confidential Information, Trade Secrets, Operations Manual, Satellite Website and other proprietary information provided to Franchisee by TAB, its Affiliates or on behalf of TAB or its Affiliates for any unauthorized purpose, (2) any confusingly similar method, format, procedure, technique, system, trade dress, symbol, emblem, tagline, insignia, term, designation, design, diagram, promotional material, or course material of TAB or its Affiliates, or (3) any facility or program of TAB or its Affiliates, for any unauthorized purpose.

13.4 REGISTRATIONS. Franchisee acknowledges and agrees that:

(a) TAB's Right to Register. TAB may decide, in its sole and absolute discretion, to apply to register or to register, anywhere in the world, for trademark, copyright, trade name or patent protection for any Licensed Methods, Confidential Information, Trade Secrets, Operations Manual and other proprietary information provided to Franchisee by TAB, its Affiliates or on behalf of TAB or its Affiliates. Failure of TAB to obtain or maintain in effect any such application or registration is not a breach of this Agreement; and

(b) Franchisee's Prohibition on Registration. Franchisee will not, before or after termination or expiration of the Agreement, register or apply to register any of Licensed Methods, Confidential Information, Trade Secrets, Operations Manual, Satellite Website content, URLs containing the Trademarks or any portion thereof and other proprietary information provided to Franchisee by TAB, its Affiliates or on behalf of TAB or its Affiliates or any trademark, name, service mark or logo confusingly similar thereto anywhere in the world.

13.5 INFRINGEMENT. Franchisee will notify TAB in writing of any possible infringement or illegal use by others of any of Licensed Methods, Confidential Information, Trade Secrets, Operations Manual

and/or other proprietary information provided to Franchisee by TAB, its Affiliates or on behalf of TAB or its Affiliates or anything confusingly similar thereto that may come to Franchisee's attention. Franchisee acknowledges that TAB will have the right, in its sole discretion, to determine whether any action will be taken on account of any possible infringement or illegal use. TAB may commence or prosecute such action in its own name and may join Franchisee as a party thereto, if TAB determines it to be reasonably necessary for the continued protection and quality control of any of the Licensed Methods, Confidential Information, Trade Secrets, Operations Manual and other proprietary information provided to Franchisee by TAB. TAB will bear the reasonable cost of any such action, including attorneys' fees. Franchisee will fully cooperate with TAB in any such litigation.

13.6 **CHANGE OF TRADEMARKS.** If TAB or an Affiliate, in its sole discretion, determines it is necessary to modify or discontinue use of the Trademarks or any part thereof, or to develop additional or substitute marks or trade names, Franchisee will, within ninety (90) days, or such earlier or longer period of time set out in the written notice from TAB, take such action directed by TAB, at Franchisee's sole expense, as may be necessary to comply with such modification, discontinuation, addition or substitution.

13.7 **IMPROVEMENTS.** Franchisee will promptly disclose to TAB any changes, improvements, enhancements, advertisements or other marketing materials, inventions, discoveries, creations, patents, copyrights, trademarks, and confidential information relating to Franchisee's Business which Franchisee or any of Franchisee's owners, officers, employees, agents, affiliates, Contract Facilitators or contractors has made or may make solely, jointly, or commonly with others (collectively, the "**Improvements**"). Franchisee will promptly create a written record of the same. Any Improvements made by Franchisee or any of Franchisee's owners, officers, employees, affiliates, agents, Contract Facilitators or contractors or as the result of suggestions or other input from Franchisee or any of Franchisee's owners, officers, employees, affiliates, agents, Contract Facilitators or contractors including without limitation, all copyrightable works, will become part of the Licensed Methods, Confidential Information, Trade Secrets, Operations Manual and TAB's proprietary information owned by TAB without any rights of ownership accruing to Franchisee. Franchisee hereby assigns all proprietary rights described in this Section 13.7 to TAB without additional consideration. Franchisee will execute such additional assignments or documentation to effectuate the assignment of these rights or as TAB deems necessary to enable it, at its expense, to apply for, prosecute, and obtain copyrights, trademarks, patents, or other proprietary rights in the United States and in other countries. Franchisee hereby irrevocably appoints TAB as Franchisee's attorney-in-fact for the purpose of executing such documents. TAB will have the right to make Improvements available for use by all TAB franchisees. The expression "any changes, improvements, or enhancement" includes, without limitation, any methods or materials, such as ad copy, for advertising or marketing for the services and products of Franchisee's Business, as well as methods or materials for providing the services and products of Franchisee's Business or other Businesses.

14. ANCILLARY BUSINESS; NON-COMPETITION; CONFIDENTIALITY

14.1 PERMITTED ANCILLARY BUSINESS.

(a) By Franchisee or Managing Party. Franchisee or Managing Party may offer and advertise, within or outside Franchisee's Protected Territory, Ancillary Businesses so long as:

(i) The Licensed Methods, Confidential Information, Trade Secrets, Operations Manual, Satellite Website, URLs containing the Trademarks or any portion thereof, or anything confusingly similar thereto and TAB or its Affiliates' proprietary materials are not used in connection with such Ancillary Businesses;

(ii) The Ancillary Businesses would not, in TAB's sole opinion, compete with Franchisee's Business or any other Business operated by TAB, its franchisees, licensees or Affiliates, Other Businesses, or any other business then being offered or operated by TAB or its Affiliates in Franchisee's Protected Territory; and

(iii) The Ancillary Businesses would not likely harm or disparage the goodwill or be inconsistent with the image associated with Franchisee's Business, TAB, Businesses operated by TAB, its franchisees, licensees or Affiliates, any Other Businesses, or any other business then being offered or operated by TAB or its Affiliates in Franchisee's Protected Territory and/or the Licensed Methods, Confidential Information, Trade Secrets, Operations Manual and TAB or its Affiliate's proprietary materials.

14.2 PROHIBITED COMPETITIVE ACTIVITY.

(a) Definition of Competitive Activity. A "**Competitive Activity**" means:

(i) Marketing services and products that are the same as, similar to, or competitive with the Licensed Methods or Franchisee's Business;

(ii) Marketing or facilitating groups of business leaders, which group meetings are the same as or similar in nature to Boards;

(iii) Providing regularly-scheduled private coaching sessions, mentoring or providing strategic planning services for business owners and/or their planning teams that use processes, methods or systems that are the same as or similar in nature to those processes, methods or systems that are used by the SBL System;

(iv) Providing services of the type provided by TAB and/or its Affiliates where those services are provided in relation to businesses of the type described in Sections 14.2(a)(i) to (iii);

(v) Owning, whether directly or indirectly, and whether beneficially or of record of any capital stock, partnership interest, membership interest or any other interest in a business or entity that engages in the activities described in Sections 14.2(a)(i) to (iv);

(vi) Participating, either directly or indirectly, in the management or operation of a business as a partner, investor, shareholder, owner, director, officer, employee, principal, agent, advisor, contractor or consultant or in any other capacity of any entity, business or person that engages in the activities described in Sections 14.2(a)(i) to (iv);

(vii) Franchising, licensing, conducting or being connected with or assisting any person, entity or business to franchise, license, conduct or be connected with the activities described in Sections 14.2(a)(i) to (iv); or

(viii) Diverting or attempting to divert, directly or indirectly, any business related to, or any customer or account of, Franchisee's Business, TAB, Affiliates, any other Business operated by TAB, its franchisees, licensees or Affiliates, Other Businesses, or any other business then being offered or operated by TAB or its Affiliates in Franchisee's Protected Territory, or diverting or attempting to divert, directly or indirectly, the employment of any employee or Contract Facilitators of TAB or another TAB franchisee, licensee or TAB Affiliate to any entity to conduct activities described in this Section 14.2;

(b) Activities Excluded From Competitive Activity. In certain circumstances as TAB may determine, TAB will specifically agree, as may be noted in Exhibit I to this Agreement, that certain business consulting projects in which Franchisee has been engaging in the last twelve (12) months prior to executing this Agreement will not be considered a Competitive Activity;

(c) No Competitive Activity During the Initial Term, Any Successor Term or Any Interim Period. Franchisee acknowledges that TAB will be unable to protect the Licensed Methods, Confidential Information, Trade Secrets, Operations Manual, TAB proprietary materials and other confidential and proprietary elements of the Business and achieve an exchange of ideas with Franchisee if Franchisee or those persons referenced in Section 14.5 are permitted to hold competitive interests or engage in Competitive Activities. During the Initial Term, any Successor Term and any Interim Period, Franchisee and those persons referred to in Section 14.5 will not engage, directly or indirectly, in any Competitive Activity anywhere other than as expressly authorized under this Agreement. Franchisee acknowledges that a violation of this Section 14.2(c) would constitute an unfair method of competition and would hinder Franchisee's ability to devote sufficient time to Franchisee's Business; and

(d) Competitive Activity After the Initial Term, Any Successor Term or Any Interim Period. For a period of two (2) years following the later of (1) the termination, transfer, assignment or expiration of this Agreement, (2) the last date that Franchisee or any person identified in Section 14.5 Facilitated a Board Meeting or provided SBL Coaching, or (3) the entry of a final order by an arbitrator or a court of competent jurisdiction enforcing this covenant, Franchisee and those persons identified in Section 14.5 will not engage in any Competitive Activity within:

- (i) Franchisee's Protected Territory;
- (ii) Twenty-five (25) miles of the outer boundaries of Franchisee's Protected Territory;
- (iii) The Protected Territory of another Business operated by TAB, its Affiliate, its franchisee or licensee; or
- (iv) Twenty-five (25) miles of any other location where a Board meets.

14.3 CONFIDENTIAL INFORMATION AND TRADE SECRETS.

(a) Definitions. "**Confidential Information**" means the operations, marketing, materials and data bases, advertising, development and related information which are developed and utilized in connection with the operation of the Business and the Operations Manual, all aspects of the Licensed Methods, all information regarding Members, including all aspects of soliciting new Members, written agreements with Members, Member lists, Member information and records (including names, addresses, phone numbers and e-mail addresses), Marketing Lists, documents, correspondence, files, lists of renewal dates, rates and literature of whatever form regarding Boards, Members or prospective Members with whom Franchisee discusses or has an appointment to discuss any of the Licensed Methods or the Business in the past, present, or future ("**Membership Information**") (the term "Membership Information" does not include Franchisee's work product or matters related solely to an Ancillary Business), the terms of this Agreement, and all TAB's or its Affiliates' proprietary information (whether in print, electronic form, or oral. "**Trade Secrets**" means information, including systems, patterns, compilations, programs, methods, techniques or processes that both derive independent 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 is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

(b) Ownership of Confidential Information and Trade Secrets. Franchisee acknowledges that Confidential Information and Trade Secrets are the unique and exclusive property and trade secrets of TAB and/or TAB's Affiliates. Franchisee acknowledges that TAB and/or its Affiliates have expended a great amount of effort and money in obtaining and developing the Confidential Information and Trade Secrets, that TAB and/or its Affiliates have taken numerous precautions to guard the secrecy of the Confidential Information and Trade Secrets, and that it would be very costly for competitors to acquire or duplicate the Confidential Information and Trade Secrets.

(c) Wrongful Use. Franchisee acknowledges that any unauthorized disclosure or use of the Confidential Information and Trade Secrets would be wrongful and would cause irreparable injury and harm to TAB and/or its Affiliates. Franchisee, Managing Party and those individuals identified in Section 14.5 will not at any time, directly or indirectly, communicate, publish, disclose, divulge, copy, imitate or cause or permit any other party to communicate, publish, disclose, divulge, copy or imitate in any manner the Confidential Information and Trade Secrets to any person, firm, corporation, association, partnership or any other entity whatsoever or use, directly or indirectly, for its own benefit or for the benefit of any person, firm, corporation, association, partnership or other entity other than TAB or its Affiliates or in the operation of Franchisee's Business as permitted by this Agreement or the Operations Manual.

(d) Member Information. Franchisee, Managing Party and those individuals identified in Section 14.5 agree to keep confidential and not disclose information about Franchisee's Members or personal or business matters of a confidential nature that Franchisee, Managing Party and those individuals identified in Section 14.5 learn from TAB, its Affiliates, another TAB franchisee, licensee or Member at a Board Meeting or from any private consulting or private coaching session or otherwise. Franchisee, Managing Party, and those individuals identified in Section 14.5 may disclose such information only pursuant to a valid court order, or with the permission of TAB, its Affiliates, another TAB franchisee, licensee or Member to whom the information pertains (as the case may be). Franchisee will use all Member Information solely for the purpose of operating Franchisee's Business.

(e) Required Action. Franchisee and Franchisee's Managing Party will adopt and implement all reasonable procedures prescribed by TAB from time to time to prevent unauthorized use or disclosure of the Confidential Information or Trade Secrets.

14.4 ACKNOWLEDGMENTS. Franchisee and Managing Party acknowledge the following:

(a) That Franchisee and Franchisee's Business will, during the franchise relationship, become identified with the goodwill associated with TAB's Trademarks;

(b) That Franchisee and those individuals subject to this covenant as set out in Section 14.5 will be able to earn a livelihood without violating the foregoing restrictions;

(c) That Franchisee's and those individuals' subject to this covenant as set out in Section 14.5 entire knowledge of the operation of Franchisee's Business, the Licensed Methods and the concepts and methods of promotion franchised hereunder that Franchisee now or will obtain is derived from TAB's and/or its Affiliates Confidential Information and Trade Secrets; and

(d) That communication among Franchisee, Managing Party, TAB, its Affiliates or TAB's other franchisees and licensees will be chilled if it is perceived that Franchisee, Managing Party or those persons defined in Section 14.5 are violating this Section 14.

14.5 PARTIES TO WHOM RESTRICTIONS APPLY. The restrictions set forth in this Section 14 will apply to (1) Franchisee and Managing Party, (2) if Franchisee is a corporation, partnership, limited liability company or other form of entity, each manager, officer, member, director, partner, shareholder, non-managing party, owner and any of the foregoing immediate family members who have access to the Confidential Information or Trade Secrets, (3) Franchisee's Contract Facilitators, (4) if Franchisee is an individual, immediate family members who have access to the Confidential Information or Trade Secrets, (5) employees, agents or contractors who have access to the Confidential Information or Trade Secrets, and (6) Franchisee's Guarantors who sign the Guaranty and Assumption of Franchisee's Obligations attached as Exhibit III. TAB, at its option, may require the persons described in this Section 14.5 to sign a Non-Disclosure and Non-Competition Agreement in the form set forth in Exhibit IV attached to this Agreement.

14.6 INJUNCTIVE RELIEF. TAB and its Affiliates must be protected against the potential for unfair competition by Franchisee's and those individuals' subject to this covenant as set out in Section 14.5 use of TAB's or its Affiliates training, assistance, Confidential Information or Trade Secrets in direct competition with TAB or its Affiliates. Franchisee acknowledges that TAB would not have entered into this Agreement or shared the Confidential Information, Trade Secrets or other proprietary information with Franchisee or Managing Party absent Franchisee's and those individuals' subject to this covenant as set out in Section 14.5 agreement to strictly comply with the provisions of this Section 14. Franchisee acknowledges that as a franchisee of TAB, Franchisee and those individuals subject to this covenant as set out in Section 14.5 will have access to TAB's or its Affiliates' Confidential Information and Trade Secrets and will be in a unique position to use the special knowledge gained as a franchisee. Franchisee acknowledges that a breach of the covenants contained in this Section 14 will be deemed to threaten immediate and substantial irreparable injury to TAB and its Affiliates, which cannot be compensated for in monetary damages. TAB and its Affiliates will have the right, without prior notice to Franchisee, to obtain immediate injunctive relief without limiting any other rights or remedies it may have and without posting a bond.

14.7 SEVERABILITY. TAB has attempted to limit the right to compete only to the extent necessary to protect TAB's legitimate business interests. The Parties recognize that reasonable people may differ in making such a determination. The Parties hereby agree that if the scope or enforceability of the restrictive covenant in this Agreement is in any way disputed at any time, a court may modify and enforce the covenant to the extent that the court believes to be reasonable under the circumstances existing at the time. TAB reserves the right to reduce the scope of said provision without Franchisee's consent at any time, effective immediately upon notice to Franchisee. Each of the foregoing covenants is to be construed as severable and independent and is intended to protect TAB, its Affiliates, and their successors and assigns, and may be enforced by any of them.

14.8 INDEPENDENT OBLIGATIONS. The obligations set out in this Section 14 are independent of any obligation of TAB under this Agreement.

15. INSURANCE; INDEMNIFICATION

15.1 INSURANCE.

(a) Coverage. Franchisee will procure and maintain in full force and effect throughout the Initial Term, any Successor Term and any Interim Period, at Franchisee's sole cost and expense, the required insurance coverage set forth in the Operations Manual and all insurance coverage required by applicable law. TAB, in its reasonable discretion, may modify the insurance coverage requirements in the Operations Manual and Franchisee will comply with any such change within such reasonable time as TAB may require. The insurance amounts required by TAB are minimum coverage only.

(b) Requirements. All insurance policies obtained by Franchisee or required in the Operations Manual will (1) name TAB as an additional or “added” insured, (2) contain a waiver by the insurance carrier of all subrogation rights against TAB, its Affiliates, officers, directors, owners, shareholders and employees, and (3) provide that TAB will receive thirty (30) days’ written notice prior to the termination, cancellation, expiration, or modification of any such policy. Within thirty (30) days of this Agreement, and within ten (10) days of each annual renewal, Franchisee will furnish to TAB a copy of a certificate, or other evidence, of the insurance or renewal or extension for each required insurance policy, together with evidence of payment of premiums and the policy limits then required.

(c) Failure to Obtain Insurance. If Franchisee at any time fails or refuses to maintain in effect any insurance coverage required by this Agreement, or to furnish satisfactory evidence thereof, after thirty (30) days notice to Franchisee, TAB, at its sole option and in addition to its other rights and remedies hereunder, may, but need not, obtain such insurance coverage on Franchisee’s behalf, and Franchisee will promptly execute any applications or other forms or instruments required to obtain any such insurance. Franchisee will pay to TAB, on demand, any costs, expenses, and premiums incurred by TAB.

15.2 INDEMNIFICATION BY FRANCHISEE.

(a) Scope. Franchisee will indemnify and hold harmless TAB, its subsidiaries and Affiliates and their respective shareholders, directors, officers, employees, attorneys, agents, successors and assigns (collectively, the “**TAB Indemnified Parties**”) from and against, and to reimburse them for, all liabilities, obligations, actual and consequential damages, taxes, costs, expenses and losses (including, without limitation, costs of judgment or settlement, attorneys’ fees, accountants’ fees, and expert witness’ fees, costs and expenses of investigation and proof of facts, court costs and expenses, other litigation expenses and travel and living expenses) reasonably incurred by any of the TAB Indemnified Parties in connection with any claim, litigation or other action arising out of or through (1) Franchisee’s Business and the operations of Franchisee’s Business, (2) any services performed by any third parties (such as, but not by limitation, the services of Franchisee’s Contract Facilitators), (3) Franchisee’s or Managing Party’s breach of this Agreement or any Member agreement, (4) Franchisee’s or Franchisee’s Contract Facilitator’s breach of any Contract Facilitator Agreement, (5) Franchisee’s taxes, liabilities, costs or expenses of Franchisee’s Business, or (6) Franchisee’s or Franchisee’s affiliates’ activities for which the TAB Indemnified Parties are named or threatened to be named as a party. Franchisee will be responsible for and will pay and satisfy any judgment or settlement that might arise out of any such claim, litigation or other action.

(b) Defense of Claims. Without limiting the generality of the foregoing, Franchisee agrees that if TAB Indemnified Parties are made a party to any lawsuit or other legal action as described in Section 15.2(a), TAB may, at its sole option, either (1) tender the defense or prosecution of the case or action to Franchisee, and Franchisee will be responsible for diligently and promptly pursuing such case or action at Franchisee’s sole cost and expense, or (2) hire counsel directly to protect its interests and bill Franchisee for all costs, fees, and expenses incurred.

(c) Trademark Claims. This Section 15.2 will not apply to any claim based on Franchisee’s authorized use of the Trademarks in strict accordance with this Agreement and the Operations Manual.

15.3 SURVIVAL. This indemnity will continue in full force and effect subsequent to and notwithstanding the expiration, transfer or termination of this Agreement.

16. ASSIGNMENT, TRANSFER AND ENCUMBRANCE

16.1 BY TAB. This Agreement is fully assignable and transferable by TAB, in whole or in part, and will inure to the benefit of any assignees, transferees, or other legal successors to its interest herein. Upon such assignment, TAB will be relieved of all obligations and liability under this Agreement. Upon consummation of the assignment, Franchisee hereby releases and holds harmless TAB from any and all future liability under any of the terms, conditions and covenants, express or implied, contained in this Agreement which will have been assigned. Franchisee will look solely to the assignee for performance of TAB's obligations hereunder.

16.2 BY FRANCHISEE.

(a) Limitations on Transfer By Franchisee. Franchisee, Managing Party and Franchisee's owners acknowledge that the rights and duties created by this Agreement are personal to Franchisee, Managing Party and Franchisee's owners, and that TAB has granted the rights under this Agreement to Franchisee in reliance upon the individual or collective character, skill aptitude, attitude, business ability, experience and financial capacity of Franchisee, Managing Party and Franchisee's owners. Franchisee will not Transfer Franchisee's Business, the Agreement or any direct or indirect ownership interest in (1) Franchisee's Business, (2) Franchisee, (3) any of Franchisee's assets used in connection with Franchisee's Business, or (4) any right to provide Facilitation services or SBL Coaching to any Member without TAB's prior written consent, which may be granted in TAB's sole discretion. Any Transfer without such approval will constitute a breach of this Agreement, will be void and convey no rights to or interest in this Agreement, Franchisee's Business, any Contract Facilitator Agreement, Member agreement, Member or any direct or indirect ownership interest in Franchisee's Business, Franchisee or Franchisee's assets.

(b) Definition of Transfer. For purposes of this Agreement, a "**Transfer**" will mean and include any voluntary or involuntary, direct or indirect, assignment, sale, gift conveyance, transfer, or other disposition of an interest, including, without limitation, (1) of any capital stock, partnership interest, membership interest or other ownership interest in Franchisee, (2) merger or consolidation of Franchisee, (3) in bankruptcy or otherwise by operation of law or by court order, (4) any change of control or management of Franchisee's Business, (5) any transfer of Franchisee's Members to another franchisee or licensee, or (6) any change of control or management of any assets used in Franchisee's Business.

16.3 CONDITIONS FOR TRANSFER OF BUSINESS BY FRANCHISEE. In addition to any other conditions TAB may require for its consent, in order for TAB to grant its consent to a Transfer, the following conditions must be met:

(a) Franchisee, Managing Party and Franchisee's owners are in full compliance with this Agreement and all other agreements between TAB or its Affiliates, and Franchisee, Managing Party and Franchisee's owners;

(b) If the transferee, its owners or affiliates are a party to any agreement with TAB or its Affiliates, they must be in full compliance with any such agreement;

(c) The transferee is, in the sole opinion of TAB, an individual of good moral character who has sufficient business experience, aptitude, is of legal age and has the financial resources to own and operate Franchisee's Business and otherwise satisfy the then-applicable criteria and standards for new TAB franchisees, including the prohibition on any transferee or its owners or Managing Party from owning, directly or indirectly, or engaging in, or intending to engage in, any Competitive Activity;

(d) The transferee completes and passes TAB's application and background check process;

(e) The transferee and its managing party, if the transferee is a legal entity, has successfully completed TAB's Initial Training Program, Advanced Business Development Training or such other training programs as may then be required of new TAB franchisees and has paid TAB the Initial Training Fee at the then-current rate. This training requirement cannot be satisfied by the transferee completing any prior TAB training program, including, but not limited to, the Contract Facilitator Training;

(f) The transferee and its managing party, if the transferee is a legal entity, has executed and agreed to be bound by the then-current form of Franchise Agreement and such ancillary agreements as are then used by TAB in granting franchise rights for the operation of a Business. In the event that the Transfer is less than fifty-one percent (51%) of the ownership interest in Franchisee and Managing Party remains the same, TAB may waive the requirement to sign the then-current form of Franchise Agreement and ancillary agreements;

(g) All obligations, including all amounts owed by Franchisee, Managing Party and Franchisee's owners to TAB or its Affiliates have been assumed by the transferee or have been paid;

(h) Franchisee has paid TAB a Transfer Fee as set out in Section 5.2(r) in lieu of an Initial Franchise Fee. If the Transfer is less than fifty-one percent (51%) of the ownership interest in Franchisee and Managing Party remains the same, TAB may waive the Transfer Fee;

(i) If the transferee was introduced to Franchisee via a franchise broker, during TAB's franchise sales process or other referral source working with TAB, Franchisee must also pay any applicable referral fees charged by the broker or other referral source, TAB's standard resale fee and any other sales commission which would have been paid to any TAB salesperson working with the transferee;

(j) TAB will have the right, but not the obligation, to approve the material terms and conditions of such Transfer, including, without limitation, determining that the price and terms of payment are not so burdensome so as to adversely affect the future operations of Franchisee's Business by the transferee in compliance with TAB's then-current Franchise Agreement and ancillary agreements;

(k) Franchisee, Managing Party and Franchisee's owners have executed a general release in a form prescribed by TAB.

16.4 ASSIGNMENT TO A LEGAL ENTITY. Subject Section 8.1(c), this Agreement and the assets and liabilities of Franchisee's Business may be assigned by Franchisee to a corporation, limited liability company, or other legal entity, provided that (1) Franchisee owns and controls not less than sixty-seven percent (67%) of the equity and voting power of all issued and outstanding ownership interests, (2) the corporation, limited liability company or other legal entity does not conduct other business other than the operation of Franchisee's Business, and (3) Managing Party continues to be Managing Party of Franchisee's Business. The articles of incorporation, bylaws, and other organizational documents of such entity will recite that the issuance and assignment of any interest therein is restricted by the terms of this Agreement, and all issued and outstanding equity ownership certificates of such entity will bear a legend reflecting or referring to the restrictions herein. Franchisee will furnish to TAB, at any time and from time to time upon request in such form as TAB may require, a list of all owners of equity in such entity reflecting their respective ownership interests.

16.5 OWNERSHIP OF MANAGING PARTY. If Franchisee is a partnership, corporation, limited liability company or other entity, Managing Party must own at least fifty-one percent (51%) of Franchisee's equity interest.

16.6 **FRANCHISEE'S DEATH OR DISABILITY.** Upon the death, permanent disability, insanity or appointment of a conservator or guardian of Franchisee, Franchisee's owners or Managing Party, either Franchisee, Franchisee's owners, Managing Party or the estate, executor, administrator, conservator, or other personal representative, as the case may be, will, within one-hundred-eighty (180) days and subject to the conditions set out in Section 16.3, assign such person's interest in Franchisee's Business to a third party approved by TAB. If the heirs or beneficiaries of any such person are unable to meet the conditions of Section 16.3, Franchisee, Franchisee's owners, Managing Party or such estate, executor, administrator, conservator or other personal representative will have a reasonable time, not to exceed one-hundred-eighty (180) days, from the date of such death, permanent disability, insanity, or appointment of a conservator or guardian, to dispose of Franchisee's, Franchisee's owners' or Managing Party's interest, subject to the conditions set out in Section 16.3. Failure to so dispose of Franchisee's, Franchisee's owners' or Managing Party's interest within one-hundred-eighty (180) days will constitute a breach of this Agreement. If within fifteen (15) days after the date of Franchisee's, Franchisee's owners' or Managing Party's death, permanent disability, insanity, or appointment of a conservator or guardian, Franchisee, Franchisee's owners, Managing Party or the estate, executor, administrator, conservator, or other personal representative will appoint an interim manager, who has been preapproved by TAB, to operate Franchisee's Business until the rights to own Franchisee's Business have been assigned within the one-hundred-eighty (180) day period referenced in this Section 16.6. If Franchisee, Franchisee's owners, Managing Party or the estate, executor, administrator, conservator, or other personal representative fails to appoint an interim manager within fifteen (15) days, TAB may appoint one as set forth in Section 16.7.

16.7 **OPERATION OF FRANCHISEE'S BUSINESS.** In order to prevent any interruption of the operation of Franchisee's Business which would cause harm to Franchisee's Business, if Franchisee, Managing Party, Franchisee's owners or Franchisee's Contract Facilitators are unable or fail to operate Franchisee's Business for a period of forty-five (45) days or longer for any reason whatsoever (except as provided in Section 16.6, in which case the period is fifteen (15) days), Franchisee authorizes TAB to appoint an interim manager to operate Franchisee's Business for so long as TAB deems necessary and practical. If TAB appoints an interim manager, all revenue from the operation of Franchisee's Business will be kept in a separate account and the expenses of Franchisee's Business, including reasonable compensation and expenses of TAB and its agents will be charged to the account. TAB will also retain fifty percent (50%) of Franchisee's Business' revenue as a management fee. Nothing contained herein will be construed to require TAB to operate Franchisee's Business in the case of Franchisee's inability to do so, and the rights set forth herein will be exercised in the sole and absolute discretion of TAB.

16.8 **TAB'S RIGHT OF FIRST REFUSAL.**

(a) **Notice of Offer.** If Franchisee obtains a bona fide, arm's length, executed and written offer from a responsible and fully disclosed purchaser to Transfer an interest in Franchisee's Business, the material assets of Franchisee's Business or an ownership interest in Franchisee (if Franchisee is a legal entity), Franchisee will submit an exact copy of such offer to TAB by sending the information via registered mail, separately, to the Chief Executive Officer and General Counsel of TAB.

(b) **Right of First Refusal.** TAB will have the right, exercisable by written notice delivered to Franchisee, Managing Party or Franchisee's owners within thirty (30) days from the date of delivery of an exact copy of such offer to TAB, to purchase such interest that is the subject of the written offer described in Section 16.8(a) for the price and on the terms and conditions contained in such offer. TAB may substitute cash for any form of payment proposed in such offer and will have not less than thirty (30) days to prepare for closing. Franchisee is responsible for paying all of the debts of Franchisee's Business; however, TAB may, at closing, pay any of Franchisee's trade creditors out of the purchase price, and set off against the purchase price any of Franchisee's unpaid debts to TAB.

(c) Failure to Exercise Right of First Refusal. If TAB does not exercise its right of first refusal, Franchisee, Managing Party or Franchisee's owners may complete the sale to such purchaser pursuant to and on the terms of such offer, subject to TAB's approval of the Transfer as provided in Section 16.3 and this Section 16.8.

(d) Ongoing Right. If the sale to such transferee that is the subject of the offer described in Section 16.8(a) is not completed within one-hundred-twenty (120) days after delivery of such offer to TAB, or if there is a material change in the terms of the sale, TAB will again have the right of first refusal herein provided.

16.9 NO WAIVER. TAB's consent to a Transfer as provided in this Section 16 will not constitute a waiver of any claims it may have against Franchisee, Franchisee's owners or Managing Party, nor will it be deemed a waiver of TAB's right to demand exact compliance with any of the terms or conditions of this Agreement.

17. DEFAULT; SUSPENSION AND TERMINATION

17.1 REMEDIES. If Franchisee meets the conditions set out in Sections 17.2 or 17.3 or are in default of any provision of this Agreement (a "**Default**"), TAB has the right, at its sole option, without prejudice to any other rights or remedies it may have, to (1) suspend performance of certain or all of its services to Franchisee during the time period Franchisee is in Default of this Agreement, (2) suspend Franchisee's, Managing Party's or Franchisee's Contract Facilitators right to use the Licensed Methods, (3) suspend Franchisee's, Managing Party's or Franchisee's Contract Facilitators' right to form Boards, Facilitate Boards, or provide SBL Coaching, (4) terminate this Agreement and all rights granted to Franchisee hereunder (subject to the provisions of applicable law governing franchise termination and renewal), (5) suspend the Satellite Website, (6) suspend access to the CRM System, (7) charge a fee for late or non-submittals of reports, tips and the like, or (8) exercise any rights it may have under this Agreement, at law or in equity.

17.2 OPPORTUNITY TO CURE. If any of the following conditions are met, TAB will have the right to exercise its remedies described in Section 17.1 after giving Franchisee thirty (30) days prior written notice. Franchisee will have an opportunity to cure the condition during the thirty (30) day period commencing on the date of such written notice. Notwithstanding the foregoing, Franchisee may have a shorter or longer period to cure such condition if required or permitted by applicable law, or otherwise stated in this Agreement. Conditions that allow for an opportunity to cure are:

(a) Failure to perform all of the lawful terms, conditions, and obligations contained in this Agreement or the Operations Manual or any other agreement that Franchisee, Franchisee's owners, Managing Party, affiliates, officers or directors have with TAB or its Affiliates;

(b) Failure to comply with Franchisee's obligations under any Member agreement;

(c) Loss of any permit or license which is a prerequisite to the operation of Franchisee's Business;

(d) Use of a Contract Facilitator who (1) has not signed a Contract Facilitator Agreement in the form required by TAB, (2) has not successfully completed Contract Facilitator Training, (3) has been determined by TAB, in its sole discretion, to be unqualified to serve as a Contract Facilitator, (4) has not complied with the terms of the Contract Facilitator Agreement, or (5) has made payments to Franchisee, Managing Party or affiliates in a manner prohibited by Section 11.2(a)(ii);

(e) Failure to provide TAB with the reports and other financial information as required under this Agreement or as set forth in the Operations Manual;

(f) Failure to pay Franchisee's lawful debts and taxes when due, provided that Franchisee will not be in Default hereunder during any period that Franchisee may reasonably contest such debt or taxes;

(g) Failure, refusal or neglecting to obtain TAB's prior written approval or consent as required by this Agreement;

(h) Failure or refusal to comply with the then-current requirements of the Operations Manual;

(i) Commission of any other act that constitutes good cause under applicable law or court decisions; or

(j) Failure to submit to TAB a Membership Application for any Members prior to their receiving SBL Coaching or participating in a Board.

17.3 NO OPPORTUNITY TO CURE. Notwithstanding anything contained herein to the contrary and subject to applicable law, if any of the following conditions are met, TAB will be permitted to exercise its remedies described in Section 17.1 (without prejudice to any other rights or remedies provided for in this Agreement or at law or in equity) immediately upon delivery of notice to Franchisee. Conditions that do not allow for an opportunity to cure are:

(a) Conviction of a felony or any other criminal misconduct that adversely affects the operation, maintenance, reputation, or goodwill of Franchisee's Business, the Licensed Methods, TAB, its Affiliates or other franchisees or licensees;

(b) Fraudulent activity that, in the sole opinion of TAB, adversely affects the operation, maintenance, reputation, or goodwill of Franchisee's Business, the Licensed Methods, TAB, its Affiliates or other franchisees or licensees;

(c) Misrepresentation of information that Franchisee is required to report to TAB in connection with this Agreement or in Franchisee's application to become a franchisee;

(d) Engaging in conduct which, in the sole opinion of TAB, reflects unfavorably upon the operation, maintenance, goodwill, and/or reputation of Franchisee's Business, other franchisees, licensees, the Licensed Methods, TAB or its Affiliates;

(e) Abandoning Franchisee's Business or failing to actively operate Franchisee's Business. Abandonment will be determined by TAB and may include, without limitation, (1) failure to Facilitate a monthly Board Meeting, (2) activity by Franchisee that indicates an intent to discontinue operation of the Business, including, without limitation, resigning or transferring substantially all Franchisee's Members or placing a significant (as determined by TAB) number of Franchisee's Members on scholarship, or (3) failing to respond to TAB's efforts to communicate with Franchisee;

(f) Failure to pay any sums due from Franchisee to TAB or any of TAB's Affiliates, suppliers, distributors or manufacturers if such failure continues for seven (7) days after such sums are due and payable;

- (g) Failure to pay any amounts due to TAB by their specified due dates two (2) or more times within a twelve (12) month period whether or not such failures or refusals are cured after notice;
- (h) Subject to this Section 17.3(h), three (3) or more failures or refusals to comply with the provisions of this Agreement within a twelve (12) month period whether or not such failures or refusals are for the same matter or are cured after notice;
- (i) Franchisee, Managing Party or one or more of Franchisee's Guarantors become insolvent, are the subject of an insolvency proceeding or comparable proceeding, make a general assignment for the benefit of creditors, or have a receiver appointed;
- (j) Diversion, concealment or failure to report, or attempt to divert, conceal, or fail to report any recruiting for Members in a manner or in an area that is in violation of this Agreement or any other agreement involving TAB or its Affiliates;
- (k) Collecting directly any Membership Dues, Business Assessment Fees or other fees due from Members without TAB's prior approval;
- (l) Franchisee, Franchisee's affiliates or those persons set out in Section 14.5 engaging in any Competitive Activity;
- (m) Challenging or attempting to register, patent, trademark or copyright any of the Licensed Methods, Trademarks, Confidential Information, Trade Secrets, Operations Manual or other proprietary information provided to Franchisee by TAB, its Affiliates or on behalf of TAB or its Affiliates;
- (n) Misuse of the Licensed Methods, Trademarks, Confidential Information, Trade Secrets, Operations Manual, Satellite Website or other proprietary materials provided by TAB, its Affiliates or on behalf of TAB or its Affiliates and not remedying or causing to be remedied such misuse within ten (10) days after Franchisee becomes aware or reasonably should have become aware of such misuse;
- (o) Intentionally or negligently disclosing to any unauthorized person the contents of or any part of the Operations Manual, Licensed Methods, Confidential Information, Trade Secrets or other proprietary information provided to Franchisee by TAB, its Affiliates or on behalf of TAB or its Affiliates;
- (p) Violation of the transfer or assignment provisions of this Agreement;
- (q) Using TAB franchisee, licensee, Affiliate and/or Member Information in a manner prohibited under this Agreement, the Operations Manual or any other agreement between Franchisee and TAB or its Affiliates;
- (r) Franchisee or Managing Party failing to satisfactorily complete the Initial Training Program or the Advanced Business Development Training;
- (s) Making any misrepresentation under Section 20 or violation of any Anti-Terrorism Laws by Franchisee, any persons set out in Section 14.5, Franchisee's agents or Franchisee's employees;
- (t) Any material judgment (or several judgments which in the aggregate are material) is obtained against Franchisee and remains unsatisfied or of record for thirty (30) days or longer (unless a supersedes or other appeal bond has been filed), or if execution is levied against Franchisee's Business or

any of the property used in the operation of Franchisee's Business and is not discharged within fifteen (15) days;

- (u) Franchisee's creation of a sub-franchise of any kind under applicable law; or
- (v) Commission of a Default that is by its nature not curable.

17.4 FRANCHISEE'S TERMINATION. A termination of this Agreement by Franchisee will be deemed to be a termination without cause and a breach hereof by Franchisee. Franchisee agrees that Franchisee will not, on grounds of an alleged nonperformance by the TAB of any of its obligations or any other reason, withhold payment of any amount due to TAB whatsoever or set off amounts owed to TAB under this Agreement against any monies owed to TAB. Any right of set off is hereby expressly waived by Franchisee.

17.5 CROSS-DEFAULT. If Franchisee, or any partnership, joint venture, limited liability company, corporation or other entity in which Franchisee has a controlling equity interest, are a franchisee pursuant to another Franchise Agreement with TAB, a Default under this Agreement will constitute a Default under such other Franchise Agreement and vice versa, with like remedies available to TAB. Should such other Franchise Agreement cease to be valid, binding and in full force and effect for any reason then TAB may, at its option, terminate this Agreement and likewise should this Agreement cease to be valid binding and in full force and effect for any, reason, TAB may, at its option, terminate the other Franchise Agreement. If there is more than one franchisee, or if the franchisee should consist of more than one legal entity, the franchisee's liability hereunder will be both joint and several.

17.6 OBLIGATIONS UPON TERMINATION, TRANSFER OR EXPIRATION.

(a) Prohibited Activities. After any termination, expiration, or transfer of this Agreement for any reason whatsoever, Franchisee, Franchisee's owners and Managing Party will:

(i) Not directly or indirectly at any time or in any manner identify or do anything to indicate that they (except in resumes or applications in pursuit of employment) or any business are or were a current or former franchisee or are or were otherwise associated with TAB;

(ii) Not use any of the Licensed Methods, Confidential Information, Trade Secrets, Operations Manual, Contract Facilitator Agreements, Member Agreements, Satellite Website, TAB or its Affiliates' proprietary materials or colorable imitation thereof or anything confusingly similar thereto;

(iii) Not use any indicia of TAB or of Franchisee's Business in any manner or for any purpose; and

(iv) Not, at any time or in any manner, disparage or take any action detrimental or disruptive to TAB, its Affiliates, Members, owners, officers, directors, members, or any other TAB franchisees, licensees or their products or services.

(b) Required Actions. Except as otherwise specified by TAB, Franchisee agrees that, upon termination or expiration of this Agreement, Franchisee will, within fifteen (15) days (or such other period specified by TAB):

(i) Immediately notify all callers requesting information about Franchisee's former Business, TAB, Members, Boards or SBL Coaching that such inquiries should be made to another phone number as specified by TAB;

(ii) Take such action as is necessary to remove all references to Franchisee's Business, Licensed Methods, Confidential Information, Trade Secrets, URLs that contain the Trademarks or any portion thereof or confusingly similar thereto or other TAB or its Affiliates' proprietary information from all telephone listings, listing agencies, websites, Internet, answering services, and any other organizations where Franchisee has used the above items;

(iii) Take such action as may be required to remove all references to Franchisee's Business, Licensed Methods, Confidential Information, Trade Secrets or other TAB or its Affiliates' proprietary information from Franchisee's websites, web hosting service providers, e-mail providers and Internet service providers;

(iv) Cancel all fictitious or assumed names or equivalent registrations relating to Franchisee's Business;

(v) Execute any additional documentation required by TAB to effectuate this Section 17.6(b);

(vi) Pay to TAB all unpaid amounts owed to TAB or its Affiliates within five (5) days after the effective date of termination or expiration of this Agreement. Franchisee agrees to allow TAB to make a final inspection and audit of Franchisee's books and records during normal business hours within a two (2) year period after the termination, expiration or transfer of Franchisee's Business for the purpose of verifying all amounts owed to TAB;

(vii) Comply with any and all other post-term obligations which expressly or by their nature survive the expiration or termination of this Agreement; and

(viii) Execute a release in a form specified by TAB.

(c) Information to be Furnished to TAB. Within fifteen (15) days after the effective date of any termination or expiration of this Agreement, Franchisee will:

(i) Promptly destroy or return to TAB (per TAB's instructions) or its designee all copies of stationery, letterhead, signs, marketing and advertising materials and other materials, training materials, instructional programs, forms, invoices and copies or facsimiles of any of the above materials used in Franchisee's Business, materials containing any of the Licensed Methods, Confidential Information, Membership Information, Trade Secrets, or other TAB proprietary information; the Operations Manual, Contract Facilitator Agreements, Member Agreements, contact information for Members and Contract Facilitators, any other item identifying or relating to Franchisee's Business, and all records pertaining to Franchisee's Business that belong to TAB; and

(ii) Furnish evidence satisfactory to TAB of Franchisee's compliance with this Section 17.6(b).

17.7 FACILITATING BOARDS AND SBL COACHING AFTER TERMINATION.

(a) Right to Continue Facilitation and SBL Coaching. Notwithstanding the above, Franchisee may request that TAB permit Franchisee to continue Facilitation and SBL Coaching in Franchisee's Protected Territory after the termination or expiration of this Agreement. Such request must be in writing and TAB may approve or reject the request in its sole discretion.

(b) Conditions. If TAB approves Franchisee's request as provided for in Section 17.7(a), Franchisee's request will be subject to the following conditions:

- (i) Franchisee will not market, advertise or prospect for any new Members;
- (ii) Franchisee will sign TAB's then-current Contract Facilitator Agreement or Independent Facilitator Coach Agreement; and
- (iii) Franchisee must comply with the Facilitation and SBL Coaching requirements in the Operations Manual and any other requirements imposed by TAB in accordance with the Contract Facilitator Agreement or Independent Facilitator Agreement.

(c) Post-Termination Obligations. If Franchisee obtains TAB's approval to continue to Facilitate Boards and provide SBL Coaching pursuant to this Section 17.7 and Franchisee continues to meet the conditions set out in Section 17.7(b), Franchisee will not be required to immediately comply with all post termination obligations set forth in this Agreement identified by TAB. Franchisee will comply with any such unfulfilled obligations upon TAB's request at any time after the termination or expiration of this Agreement or any Contract Facilitator Agreement or Independent Facilitator Coach Agreement Franchisee signs and all such obligations will survive the termination or expiration of this Agreement, Contract Facilitator Agreement or Independent Facilitator Coach Agreement.

17.8 **TAB'S RELATIONSHIP WITH FRANCHISEE'S FORMER MEMBERS.** Upon any expiration or termination of this Agreement, TAB retains the right to sell and provide products and services, including, without limitation, those relating to the Licensed Methods and Supplemental Products and Services, to any and all of the Members formerly served by Franchisee's Business, and to continue to solicit such Members for additional business. TAB will have full rights to assign another person or entity to render the services and sell the products offered by Franchisee during the time Franchisee was operating Franchisee's Business, through franchising, licensing, or any other legal method. Upon the expiration or termination of this Agreement, Franchisee will have no rights to the Members, and the Members will continue to belong to TAB, its successors and assigns.

17.9 **NO WAIVER.** Termination or expiration of this Agreement will not affect, modify or discharge any claims, rights, causes of action or remedies which TAB may have against Franchisee, whether such claims or rights arise before or after termination or expiration.

17.10 **MEMBERSHIP DUES COLLECTED AFTER TERMINATION OR EXPIRATION.** TAB will retain all Gross Revenue from the TAB Opportunity collected after the expiration or termination date of this Agreement. Franchisee will not be entitled to any portion of the Gross Revenue from the TAB Opportunity collected after the expiration or termination date of this Agreement regardless of when such Membership Dues accrued.

18. REMEDIES, DISPUTE RESOLUTION, WAIVERS, ETC.

18.1 **DISPUTE RESOLUTION. FRANCHISEE AND TAB HAVE NEGOTIATED REGARDING A FORUM AND DISPUTE RESOLUTION MECHANISM TO RESOLVE ANY DISPUTES THAT MAY ARISE BETWEEN FRANCHISEE AND TAB, AND HAVE AGREED TO SELECT FORUMS AND A DISPUTE RESOLUTION MECHANISM IN ORDER TO PROMOTE STABILITY IN THE FRANCHISE RELATIONSHIP AS PROVIDED IN THIS SECTION 18.**

(a) Negotiation. TAB AND FRANCHISEE WILL USE THEIR BEST EFFORTS TO RESOLVE AND SETTLE BY DIRECT, PRIVATE NEGOTIATION ANY DISPUTES, SUBJECT TO

THE EXCLUSIONS SET OUT IN SECTION 18.10. BOTH PARTIES MAY SEEK THE ADVICE AND ASSISTANCE OF LEGAL COUNSEL IN CONNECTION WITH ANY SUCH NEGOTIATION.

(b) Mediation. SUBJECT TO SECTION 18.3, IF THE PARTIES CANNOT RESOLVE AND SETTLE A DISPUTE BY PRIVATE NEGOTIATION WITHIN SIXTY (60) DAYS AFTER A PARTY GIVES THE OTHER WRITTEN NOTICE THAT A DISPUTE EXISTS, THE PARTIES MUTUALLY AGREE THAT BEFORE COMMENCING ANY ARBITRATION PROCEEDING (AS PROVIDED BELOW), THE DISPUTE WILL FIRST BE SUBMITTED TO NON-BINDING MEDIATION. THE MEDIATION WILL BE CONDUCTED UNDER THE THEN-CURRENT CPR PROCEDURE FOR RESOLUTION OF FRANCHISE DISPUTES, EXCEPT TO THE EXTENT THE CPR MEDIATION RULES DIFFER FROM THE TERMS OF THIS AGREEMENT, IN WHICH CASE THE TERMS OF THIS AGREEMENT WILL BE APPLIED. TAB AND FRANCHISEE WILL SELECT THE MEDIATOR FROM THE CPR PANEL OF NEUTRALS (UNLESS THE PARTIES MUTUALLY AGREE TO THE SELECTION OF ANOTHER MEDIATOR). IF THE PARTIES CANNOT AGREE ON THE SELECTION OF A MEDIATOR, CPR WILL MAKE THE SELECTION. THE MEDIATOR MAY NOT BE CALLED AS A WITNESS IN ANY COURT OR ARBITRATION PROCEEDING FOR ANY PURPOSE. EACH PARTY WILL SEND AT LEAST ONE (1) REPRESENTATIVE TO THE MEDIATION CONFERENCE WHO HAS THE AUTHORITY TO ENTER INTO BINDING CONTRACTS ON THAT PARTY'S BEHALF. THE COST OF THE MEDIATION, INCLUDING THE MEDIATOR'S FEE AND EXPENSES, WILL BE SPLIT EQUALLY BETWEEN TAB AND FRANCHISEE.

(c) Arbitration. IF THE PARTIES CANNOT FULLY RESOLVE AND SETTLE A DISPUTE THROUGH DIRECT MEDIATION WITHIN THIRTY (30) DAYS AFTER THE MEDIATION CONFERENCE CONCLUDES, ALL UNRESOLVED ISSUES INVOLVED IN THE DISPUTE (SUBJECT TO SECTION 18.3) WILL BE SUBMITTED TO BINDING ARBITRATION BY THE AMERICAN ARBITRATION ASSOCIATION ON DEMAND OF EITHER PARTY. A NOTICE OR REQUEST FOR ARBITRATION WILL NOT OPERATE TO STAY, POSTPONE, OR RESCIND THE EFFECTIVENESS OF ANY DEMAND FOR PERFORMANCE OR NOTICE OF TERMINATION. THE ARBITRATION PROCEEDING WILL BE BEFORE ONE (1) NEUTRAL ARBITRATOR WITH CONTRACT EXPERIENCE APPOINTED BY THE AAA IN ACCORDANCE WITH THE THEN-CURRENT OR SUCCESSOR COMMERCIAL ARBITRATION RULES OF THE AAA. EXCEPT AS OTHERWISE PROVIDED IN THIS AGREEMENT, THE ARBITRATION WILL BE CONDUCTED IN ACCORDANCE WITH THE THEN-CURRENT OR SUCCESSOR COMMERCIAL ARBITRATION RULES OF THE AAA. THE ARBITRATOR WILL AGREE TO FOLLOW AND APPLY THE EXPRESS PROVISIONS OF THIS AGREEMENT IN DETERMINING THE ARBITRATION AWARD. THE ARBITRATOR WILL NOT EXTEND OR MODIFY OR SUSPEND ANY OF THE TERMS OF THE AGREEMENT OR THE REASONABLE STANDARDS OF BUSINESS PERFORMANCE AND OPERATION ESTABLISHED BY TAB. THE ARBITRATOR WILL BE BOUND TO APPLY THE APPLICABLE LAW AND WILL NOT RULE INCONSISTENTLY WITH APPLICABLE LAW. TAB AND FRANCHISEE AGREE THAT IN ANY ARBITRATION PROCEEDING, EACH PARTY MUST SUBMIT OR FILE ANY CLAIM WHICH WOULD CONSTITUTE A COMPULSORY COUNTERCLAIM (AS DEFINED BY THE FEDERAL RULES OF CIVIL PROCEDURE) WITHIN THE SAME PROCEEDING AS THE CLAIM TO WHICH IT RELATES. ANY CLAIM WHICH IS NOT SUBMITTED OR FILED AS REQUIRED IS FOREVER BARRED. EACH PARTY WILL, UPON THE WRITTEN REQUEST OF THE OTHER PARTY, PROMPTLY PROVIDE THE OTHER WITH COPIES OF DOCUMENTS RELEVANT TO THE ISSUES RAISED BY ANY CLAIM OR COUNTERCLAIM ON WHICH THE PRODUCING PARTY MAY RELY IN SUPPORT OF OR IN OPPOSITION TO ANY CLAIM OR DEFENSE. ANY DISPUTE REGARDING DISCOVERY, OR THE RELEVANCE OR SCOPE THEREOF, WILL BE DETERMINED BY THE ARBITRATOR, WHICH DETERMINATION WILL BE CONCLUSIVE.

ALL DISCOVERY WILL BE COMPLETED WITHIN SIXTY (60) DAYS FOLLOWING THE APPOINTMENT OF THE ARBITRATOR. AT THE REQUEST OF A PARTY, THE ARBITRATOR WILL HAVE THE DISCRETION TO ORDER EXAMINATION BY DEPOSITION OF WITNESSES TO THE EXTENT THE ARBITRATOR DEEMS SUCH ADDITIONAL DISCOVERY RELEVANT AND APPROPRIATE. DEPOSITIONS WILL BE LIMITED TO A MAXIMUM OF FIVE (5) PER PARTY AND WILL BE HELD WITHIN THIRTY (30) DAYS OF MAKING OF A REQUEST. ADDITIONAL DEPOSITIONS MAY BE SCHEDULED ONLY WITH THE PERMISSION OF THE ARBITRATOR AND FOR GOOD CAUSE SHOWN. EACH DEPOSITION WILL BE LIMITED TO A MAXIMUM OF SIX (6) HOURS DURATION. ALL OBJECTIONS ARE RESERVED FOR THE ARBITRATION HEARING EXCEPT FOR OBJECTIONS BASED ON PRIVILEGE AND PROPRIETARY OR CONFIDENTIAL INFORMATION. TAB AND FRANCHISEE AGREE THAT THE ARBITRATION WILL BE CONDUCTED ON AN INDIVIDUAL, NOT A CLASS-WIDE BASIS AND THAT ANY ARBITRATION PROCEEDING BETWEEN TAB AND FRANCHISEE WILL NOT BE COMMENCED, CONSOLIDATED OR CONDUCTED WITH ANY OTHER ARBITRATION PROCEEDING. THE ARBITRATOR HAS NO AUTHORITY TO RULE ON THE ENFORCEABILITY OF THE BAN ON CLASS ACTION ARBITRATION. ANY RULING BY THE ARBITRATOR AUTHORIZING ARBITRATION TO BE CONDUCTED ON A CLASS-WIDE BASIS IS SUBJECT TO APPEAL TO A COURT OF COMPETENT JURISDICTION. THE ARBITRATOR WILL NOT HAVE THE AUTHORITY TO DECLARE ANY TRADEMARK GENERIC, DESCRIPTIVE OR OTHERWISE INVALID. THE ARBITRATOR MAY NOT CONSIDER ANY SETTLEMENT DISCUSSIONS OR OFFERS THAT MIGHT HAVE BEEN MADE BY FRANCHISEE OR TAB. ANY AWARD WILL BE MADE WITHIN NINE (9) MONTHS OF THE FILING OF THE NOTICE OF INTENTION TO ARBITRATE AND THE ARBITRATOR WILL AGREE TO COMPLY WITH THIS SCHEDULE BEFORE ACCEPTING APPOINTMENT. THIS TIME LIMIT MAY BE EXTENDED BY THE PARTIES OR ARBITRATOR IF NECESSARY. ANY AWARD WILL INCLUDE FINDINGS OF FACT AND CONCLUSIONS OF LAW. EITHER PARTY MAY APPLY TO THE COURT HAVING JURISDICTION FOR AN ORDER CONFIRMING, OR ENFORCING THE AWARD. THE ARBITRATOR WILL HAVE THE RIGHT TO AWARD OR INCLUDE IN THE AWARD ANY RELIEF WHICH THE ARBITRATOR DEEMS PROPER IN THE CIRCUMSTANCES, INCLUDING MONETARY DAMAGES (WITH INTEREST ON UNPAID AMOUNTS FROM DATE DUE), SPECIFIC PERFORMANCE, INJUNCTIVE AND DECLARATORY RELIEF, AND LEGAL FEES AND COSTS IN ACCORDANCE WITH SECTION 18.9, PROVIDED THAT THE ARBITRATOR WILL NOT HAVE THE AUTHORITY TO AWARD EXEMPLARY, PUNITIVE OR TREBLE DAMAGES.

18.2 FORUM. THE MEDIATION AND ARBITRATION PROCEEDING WILL TAKE PLACE IN DENVER, COLORADO OR THE CITY NEAREST TAB'S PRINCIPAL PLACE OF BUSINESS AT THE TIME AS DETERMINED BY THE MEDIATOR OR ARBITRATOR, AS THE CASE MAY BE, UNLESS THE PARTIES MUTUALLY AGREE TO ANOTHER LOCATION.

18.3 CONSENT TO JURISDICTION. FRANCHISEE AND MANAGING PARTY HEREBY IRREVOCABLY SUBMIT TO THE JURISDICTION AND VENUE OF THE COURTS IN DENVER, COLORADO AND MEDIATION AND ARBITRATION IN DENVER, COLORADO OR AS PROVIDED IN SECTIONS 18.2 OR 18.10. FRANCHISEE AND MANAGING PARTY HEREBY WAIVE ANY OBJECTION FRANCHISEE OR MANAGING PARTY MIGHT HAVE TO THE PERSONAL JURISDICTION OF OR VENUE IN SUCH COURTS.

18.4 PRIOR RELATIONSHIP. THE MEDIATOR AND ARBITRATOR SELECTED IN ACCORDANCE WITH SECTIONS 18.1(b) AND (c) WILL HAVE NO PRIOR BUSINESS OR PERSONAL RELATIONSHIP WITH ANY PARTIES.

18.5 GOVERNING LAW. EXCEPT AS SPECIFICALLY OTHERWISE PROVIDED IN SECTIONS 18.1, 18.10 AND THIS SECTION 18.5, ALL DISPUTES TO BE ARBITRATED BY FRANCHISEE AND TAB PURSUANT TO THIS AGREEMENT WILL BE GOVERNED BY THE UNITED STATES FEDERAL ARBITRATION ACT, AND NO PROCEDURAL ARBITRATION ISSUES ARE TO BE RESOLVED PURSUANT TO ANY STATE STATUTES, REGULATIONS, OR COMMON LAW. EXCEPT TO THE EXTENT GOVERNED BY THE UNITED STATES TRADEMARK ACT OF 1946 (LANHAM ACT, 15 U.S.C. SECTIONS 1051 ET SEQ.) OR OTHER FEDERAL LAW, THIS AGREEMENT WILL BE INTERPRETED UNDER THE LAWS OF COLORADO, AND ANY DISPUTE BETWEEN THE PARTIES WILL BE GOVERNED BY AND DETERMINED IN ACCORDANCE WITH THE SUBSTANTIVE LAWS OF COLORADO, WHICH LAWS WILL PREVAIL IF ANY CONFLICT OF LAW ARISES.

18.6 DEFINITION OF DISPUTE. Subject to Section 18.10, “**Dispute**” means any disputes, controversies or claims between TAB, its Affiliates, shareholders, owners, officers, directors, agents, employees and attorneys (in their respective capacity), and Franchisee, Managing Party, Franchisee’s owners, Guarantors, affiliates, officers, directors, agents and employees (1) arising out of or related to this Agreement or any other agreement between the Parties relating to Franchisee’s Business, (2) the relationship of the Parties hereto, or (3) the scope or validity of this Agreement or any other agreement between the Parties relating to Franchisee’s Business or the relationship of the Parties hereto or any provision thereof (including the validity and scope of the arbitration obligation, which Franchisee and TAB acknowledge will be determined by an arbitrator and not a court, unless the arbitrator invalidates the arbitration provision in its entirety, in which case, either party has the right to appeal such invalidation to a court of competent jurisdiction).

18.7 BUSINESS JUDGMENT. The Parties recognize and any mediator, arbitrator and judge is affirmatively advised, that certain provisions of this Agreement reflect rights of TAB and Franchisee to take (or refrain from taking) certain actions in exercise of its business judgment based on its assessment of the long term interests of the franchised system as a whole. Where such discretion has been exercised, and is supported by the business judgment of TAB or Franchisee, a mediator, arbitrator or judge will not substitute their own judgment for the judgment so exercised by TAB or Franchisee.

18.8 CONFIDENTIALITY. All negotiations and mediation proceedings (including all statements and settlement offers made by either party or the mediator in connection with negotiation and mediation) will be strictly confidential, will be considered as compromise and settlement negotiations for purposes of applicable rules of evidence, and will not be admissible or otherwise used in connection with any court or arbitration proceeding for any purpose.

18.9 COSTS AND ATTORNEYS’ FEES. If TAB or any of its Affiliates take action to enforce this Agreement or take any action due to Franchisee’s breach of this Agreement, Franchisee will reimburse TAB and its Affiliates for their costs and expenses, including, but not limited to, reasonable accountants’, attorneys’, attorney assistants’, and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses, whether incurred prior to, in preparation for or in contemplation of the filing of any written demand, claim, action, hearing or proceeding to enforce or seek relief for a breach of this Agreement. TAB reserves the right, but has no obligation, to advance Franchisee’s share of the costs of any arbitration proceeding in order for such arbitration proceeding to take place, and by doing so will not be deemed to have waived or relinquished its right to seek the recovery of those costs in accordance with this Section 18.9. If either party commences any legal action or proceeding in any court in contravention of the terms of Section 18.1, that party will pay all costs and expenses that the other party incurs in the action or proceeding, including, without limitation, costs and attorney’s fees as described in this Section 18.9.

18.10 DISPUTES NOT SUBJECT TO NEGOTIATION, MEDIATION OR ARBITRATION. The following disputes are not subject to the procedures set out in Sections 18.1(a), (b) or (c): (1) Franchisee, Managing Party, Guarantors, Franchisee's owners, affiliates, officers, directors, agents and employees use of the Trademarks, any other mark in which TAB or any of its Affiliates has an interest or the Copyrighted Materials, (2) conduct which is alleged to otherwise infringe the intellectual property rights of TAB or any of its Affiliates, (3) acts in derogation of Franchisee's obligations under Sections 14.2 and 14.3, or (4) actions for the collection of moneys expressly owed under this Agreement or any other agreement between the Parties relating to Franchisee's Business or the relationship of the Parties. THE PARTIES AGREE THAT THE EXCLUSIVE VENUE FOR DISPUTES BETWEEN THEM UNDER THIS SECTION 18.10 will BE IN FEDERAL OR STATE COURTS SITUATED IN DENVER, COLORADO AND EACH PARTY WAIVES ANY OBJECTION IT MIGHT HAVE TO THE PERSONAL JURISDICTION OF OR VENUE IN SUCH COURTS. NOTWITHSTANDING THE FOREGOING, IF TAB'S PRINCIPAL PLACE OF BUSINESS IS NOT LOCATED IN THE DENVER, COLORADO METROPOLITAN AREA, THE NEAREST CITY TO TAB'S PRINCIPAL PLACE OF BUSINESS AT THE TIME WITH A STATE AND FEDERAL COURT WILL BE SUBSTITUTED FOR DENVER, COLORADO.

18.11 INJUNCTIVE RELIEF. Notwithstanding anything contained in Section 18.1 to the contrary, Franchisee and TAB will be entitled, to the entry of a temporary, preliminary, interim, interlocutory and permanent injunctive relief and orders of specific performance from a court of competent jurisdiction, without posting bond, enforcing the provisions of this Agreement or any other related agreement pertaining to use of the Licensed Methods, Confidential Information, Trade Secrets, Satellite Website, Trademarks, post termination obligations set out in this Agreement, and any Transfers by Franchisee. If either party secures any such injunction or order of specific performance, the non-securing party will pay to the securing party its costs and attorneys' fees described in Section 18.9 and damages that may be permitted under this Agreement. The non-securing party's sole remedy in the event of the entry of such injunctive relief will be the dissolution of such injunctive relief, if warranted, upon a hearing duly held (all claims for damages by reason of the wrongful issuance of such injunction being expressly waived hereby).

18.12 SURVIVAL. The provisions of this Section 18 are intended to benefit and bind certain third party non-signatories. The provisions of this Section 18 will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

18.13 SEVERABILITY. If a court of competent jurisdiction decides the requirement to arbitrate a Dispute is unenforceable because applicable law does not permit the type of claim involved to be resolved by arbitration, or because this Agreement limits a party's rights or remedies in a manner applicable law does not permit, or for any other reasons, then the arbitration clause will not be void. Only those portions of the arbitration clause with respect to such claim or claims as are necessary to comply with applicable law will be invalid and considered severable, but the remainder will be enforced.

19. DISCLAIMER; LIMITATION OF LIABILITY

19.1 NO WARRANTIES. EXCEPT AS EXCLUSIVELY SET FORTH IN WRITING AND SIGNED BY TAB, TAB AND ITS AFFILIATES MAKE NO EXPRESS, IMPLIED, COLLATERAL OR CONDITIONAL WARRANTIES WITH RESPECT TO THE LICENSED METHODS, TAB PROMOTIONAL MATERIALS, DESIGNATED MATERIALS, OPERATIONS MANUAL, CONTRACT FACILITATOR AGREEMENT, SATELLITE WEBSITE, CRM SYSTEM, STANDARDS OR ANY OTHER PRODUCTS, SERVICES AND GOODS DEVELOPED, USED, LICENSED, LEASED, OR SOLD BY OR FOR TAB OR BY OR FOR FRANCHISEE IN FRANCHISEE'S BUSINESS. TAB MAKES NO REPRESENTATIONS OR WARRANTIES OF TITLE, CONDITION

OF TITLE, OR THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. TAB MAKES NO REPRESENTATION OR WARRANTY AS TO THE SUCCESS OR PROFITABILITY OF FRANCHISEE'S BUSINESS. TAB ASSUMES NO LIABILITIES OR RESPONSIBILITY FOR ANY ACTS OR OMISSIONS WHICH MAY GIVE RISE TO LIABILITY TO ANY OF FRANCHISEE'S CONTRACT FACILITATORS OR FRANCHISEE'S MEMBERS. TAB AND ITS AFFILIATES ASSUME NO LIABILITY OR OBLIGATION AND MAKE NO GUARANTY OR EXPRESS OR IMPLIED WARRANTIES TO FRANCHISEE, MANAGING PARTY, FRANCHISEE'S AFFILIATES, FRANCHISEE'S MEMBERS, OR ANY OF FRANCHISEE'S CONTRACT FACILITATORS BY GRANTING OR DENYING ANY APPROVAL, CONSENT, WAIVER OR THE LIKE OR BY REASON OF ANY NEGLIGENCE, DELAY OR DENIAL OF ANY REQUEST THEREFORE.

19.2 LIMITATION OF LIABILITY. FRANCHISEE, MANAGING PARTY AND FRANCHISEE'S AFFILIATES HEREBY WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE TAB INDEMNIFIED PARTIES. THE TAB INDEMNIFIED PARTIES WILL NOT BE LIABLE TO FRANCHISEE, MANAGING PARTY, FRANCHISEE'S AFFILIATES, FRANCHISEE'S CONTRACT FACILITATORS, FRANCHISEE'S MEMBERS, OR FRANCHISEE'S CUSTOMERS FOR ANY TORT DAMAGES, PROSPECTIVE PROFITS OR SPECIAL, INDIRECT, GENERAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES, INCLUDING, BUT NOT LIMITED TO, LOSS OF PROFITS OR ANTICIPATED PROFITS AND LOSS OF GOODWILL. IF A CLAIM AGAINST THE TAB INDEMNIFIED PARTIES ARISES, FRANCHISEE, MANAGING PARTY, FRANCHISEE'S AFFILIATES, FRANCHISEE'S CONTRACT FACILITATORS, FRANCHISEE'S MEMBERS, OR FRANCHISEE'S CUSTOMERS WILL BE LIMITED TO THE RECOVERY OF ANY ACTUAL DAMAGES SUSTAINED. TAB'S SOLE AND EXCLUSIVE LIABILITY FOR ANY CONDITIONS OR WARRANTIES EXTENDED TO FRANCHISEE WILL BE TO REPAIR OR REPLACE, AT TAB'S OPTION, ANY OF THE PRODUCTS AND GOODS SOLD, LICENSED, OR LEASED BY TAB TO FRANCHISEE WHICH ARE NOT IN COMPLIANCE WITH SUCH WARRANTY OR CONDITION, IF ANY. UNDER NO CIRCUMSTANCES WILL THE TAB INDEMNIFIED PARTIES' LIABILITY EXCEED THE DOLLAR AMOUNT OF THE INITIAL FRANCHISE FEE OR THE AMOUNT PAID FOR ANY PRODUCT, SERVICE OR GOOD THAT IS NOT IN COMPLIANCE WITH SUCH CONDITION OR WARRANTY, IF ANY.

20. REPRESENTATIONS, WARRANTIES AND ACKNOWLEDGMENTS

20.1 DISCLOSURE DOCUMENT. Franchisee represents and warrants that Franchisee has received a copy of the complete disclosure document required by the Trade Regulation Rule of the Federal Trade Commission concerning the franchise at least fourteen (14) calendar days prior to the date on which this Agreement was executed. Franchisee has received a fully-completed copy of this Agreement at least seven calendar days prior to signing it.

20.2 NO VIOLATION OF ANY OTHER AGREEMENT OR COMMITMENT. Franchisee represents and warrants that the execution and performance of this Agreement by Franchisee does not violate or constitute a breach of the terms of any other agreement or commitment to which Franchisee is a party.

20.3 LEGAL, VALID AND BINDING OBLIGATION. Franchisee represents and warrants that the individuals executing this Agreement on Franchisee's behalf are duly authorized to do so, and, upon its execution, this Agreement will constitute Franchisee's legal, valid and binding obligation.

20.4 COMPLIANCE. Franchisee represents and warrants that Franchisee, Managing Party, and (if Franchisee is a partnership, limited liability company, corporation or other entity) each of Franchisee's partners, members, managers, shareholders, and owners, as the case may be, have fully read this Agreement and all related agreements, and fully understand the terms and the import of the same, and represent that Franchisee and each of them is capable of complying and will comply with this Agreement.

20.5 CONSULTATION WITH ADVISORS; INDEPENDENT INVESTIGATION; ACKNOWLEDGMENT OF FRANCHISEE. TAB has advised Franchisee to consult with advisors of Franchisee's own choosing and Franchisee acknowledges that Franchisee has been given ample time to do so before signing this Agreement. Franchisee has conducted an independent investigation of the Business contemplated by this Agreement and recognizes that the success of Franchisee's Business is speculative, involves a high degree of financial risk and depends, to a large extent, upon Franchisee's ability as an independent businessperson and Franchisee's skills, initiative, hard work and other factors. Franchisee understands that Franchisee may sustain losses as a result of the operation or the closing of Franchisee's Business. Franchisee represents and warrants that (1) Franchisee engaged Franchisee's own legal advisors who are licensed in Franchisee's Protected Territory and who specialize in franchise law to ensure that Franchisee understands Franchisee's obligations under this Agreement and all applicable laws, and (2) Franchisee has reviewed and understands the laws and licensing requirements which govern the operation of Franchisee's Business in Franchisee's Protected Territory.

20.6 REFERRAL FEE. If a resale occurs, Franchisee acknowledges that if Franchisee sells Franchisee's Business to a candidate referred to TAB, the referral source, whether it be another franchisee, facilitator or an unaffiliated third party, may be entitled to a referral fee from Franchisee.

20.7 NON-RELIANCE ON REPRESENTATIONS. TAB does not make any representations or warranties, express, implied or collateral, as to the potential success of Franchisee's Business and no one is authorized to make any such representations or warranties. TAB makes no representations or warranties that the required minimum insurance is adequate to protect Franchisee and TAB. Franchisee acknowledges, understands and accepts that the information provided by TAB or its Affiliates does not constitute a representation or warranty as to the success or profitability of Franchisee's Business. Franchisee is not relying upon any representations by TAB or its officers, directors, shareholders, employees, agents, contractors, or servants about the business contemplated by this Agreement that are contrary to the provisions of this Agreement or any ancillary documents. TAB does not furnish or authorize any parties to furnish any oral or written information concerning the actual or potential sales, costs, income, or profits of Franchisee's Business outside of TAB's Franchise Disclosure Document and Franchisee has not received or relied upon any warranty, representation or guarantee, expressed, collateral or implied, as to the potential volume, profits, or success of the Business contemplated by this Agreement outside of TAB's Franchise Disclosure Document. Actual results will vary among TAB's franchisees and TAB cannot estimate the results of any particular Business. Franchisee acknowledges that no approvals, consents, waivers, conditions, or the like by TAB are an endorsement by TAB or a warranty by TAB of the likely success of Franchisee's Business or the appropriateness of the particular items, persons, or matters so approved.

20.8 DIFFERENT FORMS OF AGREEMENTS. Franchisee acknowledges that other TAB franchisees may operate under different forms of agreements and, consequently, that TAB's obligations and rights with respect to its various franchisees may differ materially in certain circumstances.

20.9 TAB MAY REFUSE TO GRANT FRANCHISEE A FRANCHISE. FRANCHISEE UNDERSTANDS AND AGREES THAT TAB HAS NO OBLIGATION TO ACCEPT FRANCHISEE'S APPLICATION AND MAY REFUSE TO GRANT A FRANCHISE FOR ANY REASON, OR FOR NO REASON, WITHOUT DISCLOSING THE BASIS FOR ITS DECISION. FRANCHISEE

ACKNOWLEDGES THAT UNLESS AND UNTIL TAB NOTIFIES FRANCHISEE IN WRITING WITH A TAB-EXECUTED FRANCHISE AGREEMENT THAT THE FRANCHISE HAS BEEN GRANTED, FRANCHISEE IS NOT A FRANCHISEE AND MAY NOT RELY UPON BECOMING A FRANCHISEE OF TAB.

20.10 NO RIGHT TO SUB-FRANCHISE. TAB hereby expressly forbids sub-franchising of any kind. Franchisee agrees that Franchisee has no right to sell or negotiate the sale of franchises in the name of or on behalf of TAB. Franchisee will not establish any contractual relationship with any other party that could be deemed or interpreted to have established a sub-franchise relationship. Franchisee agrees that to the full extent permitted by applicable law, sub-franchising of any kind on Franchisee's part or behalf will be grounds for immediate termination of the Agreement without notice and without opportunity to cure as set out in Section 17.3.

20.11 CREDIT CHECKS AND BACKGROUND CHECKS. Franchisee authorizes TAB to obtain, at any time throughout the term of this Agreement, credit checks and background checks on Franchisee, Managing Party, Franchisee's owners and Guarantors.

20.12 APPLICATION FOR FRANCHISE. All statements made by Franchisee in writing in connection with its application for this franchise were, to the best of Franchisee's knowledge, true when made and continue to be true as of the Effective Date.

20.13 ANTI-TERRORISM. Franchisee, Managing Party, Guarantors and Franchisee's owners agree to comply with and assist TAB to the fullest extent possible in TAB's efforts to comply with Executive Order 13224 issued by the President of the United States, the Terrorism Sanctions Regulations (Title 31, Part 595 of the U.S. Code of Federal Regulations), the Foreign Terrorist Organizations Sanctions Regulations (Title 31, Part 597 of the U.S. Code of Federal Regulations), the Cuban Assets Control Regulations (Title 31, Part 515 of the U.S. Code of Federal Regulations), the USA PATRIOT Act, and all other applicable present and future national, federal, state, provincial and local laws, ordinances, regulations, policies, lists and any other requirements of any governmental authority of any nation (including, without limitation, the United States Department of Treasury Office of Foreign Assets Control) addressing or in any way relating to terrorist acts and acts of war (collectively, the "**Anti-Terrorism Laws**"). In connection with such compliance, Franchisee, Managing Party, Guarantors and Franchisee's owners certify, represent, and warrant that none of their property or interests is subject to being "blocked" under any of the Anti-Terrorism Laws and that Franchisee, Managing Party, Guarantors and Franchisee's owners are not otherwise in violation of any of the Anti-Terrorism Laws.

(a) Franchisee, Managing Party, Guarantors and Franchisee's owners certify that none of them, their respective employees, or anyone associated with Franchisee, Managing Party, Guarantors and Franchisee's owners is listed in the Annex to Executive Order 13224 (the "**Annex**") which can be accessed at <http://www.treasury.gov/offices/enforcement/ofac/sanctions/terrorism.html>. Franchisee agree not to hire (or, if already employed, retain the employment of) any individual who is listed in the Annex.

(b) Franchisee certifies that Franchisee has no knowledge or information that, if generally known, would result in Franchisee, Managing Party, Guarantors, Franchisee's owners, their employees, or anyone associated with Franchisee, Managing Party, Guarantors or Franchisee's owners to be listed in the Annex.

(c) Franchisee is solely responsible for ascertaining what actions it must take to comply with the Anti-Terrorism Laws and Franchisee acknowledges and agrees that Franchisee's indemnification responsibilities set forth in this Agreement pertain to its obligations under this Section 20.13.

(d) Any misrepresentation under this Section 20.13 or any violation of the Anti-Terrorism Laws by Franchisee, Managing Party, Guarantors, Franchisee's owners and their employees will constitute grounds for immediate termination of this Agreement and any other agreement Franchisee has entered into with TAB or its Affiliates.

20.14 STATEMENT OF OWNERSHIP. Franchisee represents that the Statement of Ownership attached to this Agreement as Exhibit II is true, complete, accurate and not misleading.

21. MISCELLANEOUS PROVISIONS

21.1 RELATIONSHIP OF THE PARTIES. Nothing in this Agreement is intended to create or creates the relationship of employer and employee, principal and agent, co-partners, joint venturers, fiduciary, or any other similar relationship, the existence of which is hereby expressly denied by the Parties hereto, between Franchisee and TAB. Franchisee acknowledges that Franchisee is an independent contractor in all respects. Franchisee does not have the authority to bind TAB to any agreement, whether written or oral, without the signature of the Chief Executive Officer of TAB. Franchisee will not be treated as an employee, partner, or joint venturer of TAB for any purpose, including, but not limited to, for state or federal income tax purposes. Franchisee will not incur any obligations or indebtedness except in Franchisee's name.

21.2 NON-WAIVER. No waiver by TAB of performance of any obligation under this Agreement will be construed as a waiver of any other or future default of performance of such obligation. TAB's forbearance, delay, failure to exercise or express waiver of a right or TAB's decision to take some other action regarding breach by any other TAB franchisee or any licensee or corporate facilitator will not be evidence of a practice, custom or policy of TAB and will not waive or impair TAB's ability to exercise any right, power or option it has under this Agreement if the same, similar or different breach by Franchisee occurs. TAB's acceptance of any payments due from Franchisee after any breach or Default by Franchisee will not constitute a waiver of said breach or Default nor limit TAB's ability to fully exercise its rights under this Agreement as a result of Franchisee's breach.

21.3 FORCE MAJEURE. Neither TAB nor Franchisee will be liable for loss or damage or deemed to be in breach of this Agreement if TAB or Franchisee exercises best efforts to perform TAB's or Franchisee's obligations hereunder and TAB's or Franchisee's failure to perform such obligations results from (1) transportation, material, or energy shortages, or the voluntary foregoing of the right to acquire or use any of the foregoing, in order to accommodate or comply with the orders, requests, regulations, recommendations, or instructions of any government or any department or agency thereof, (2) compliance with any law, ruling, order, regulation, requirement, or instruction of any government or any department or agency thereof, (3) acts of God, (4) acts or omissions of the other party, (5) fire, strike, embargo, insurrection, war (whether or not officially declared), or riot, or (6) acts of terrorism. Any delay resulting from any of said causes will extend performance accordingly or excuse performance in whole or in part, as may be necessary. Notwithstanding the foregoing, Franchisee or TAB will not be excused from performance of Franchisee's or TAB's obligations under this Agreement due to a force majeure event described herein where the affected party (1) assumed or should have assumed the risk of a force majeure event, (2) through its own fault or negligence, caused the force majeure event, or (3) cannot otherwise perform its obligations under this Agreement due to a lack of funds.

21.4 CUMULATIVE RIGHTS. The rights and remedies of TAB hereunder are cumulative and no exercise or enforcement by TAB of any right or remedy hereunder will preclude the exercise or enforcement by TAB of any other right or remedy hereunder which TAB is entitled by law to enforce.

21.5 RIDER. If a state regulator requires an amendment to this Agreement, the amendment is attached hereto in a state law rider as Exhibit VII. TAB will not, however, be precluded from contesting the validity, enforceability, or applicability of such laws or regulations in any action relating to this Agreement or to its rescission or termination.

21.6 SURVIVAL. All of Franchisee's obligations which expressly or by their nature survive the expiration, termination, transfer or assignment of this Agreement will continue in full force and effect subsequent to and notwithstanding the expiration, termination, assignment or transfer of this Agreement and until they are satisfied in full or by their nature or express terms expire.

21.7 TIME FOR BRINGING ACTION. Franchisee agrees that any claim or action brought by Franchisee relating to or arising from this Agreement will be barred if not brought within one (1) year of the occurrence of the circumstances giving rise to such claim or action or comes to the attention of Franchisee, or should reasonably have come to Franchisee's attention.

21.8 WAIVER OF JURY TRIAL. TAB AND FRANCHISEE HEREBY IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY.

21.9 BINDING EFFECT. This Agreement is binding upon the Parties hereto and their respective executors, administrators, heirs, successors, and permitted assigns.

21.10 TIME IS OF THE ESSENCE. Time is of the essence of this Agreement and in the performance of each and every term and provision hereof.

21.11 COUNTERPARTS. This Agreement may be executed in any number of counterparts, each of which will be deemed to be an original and constitute one and the same instrument. This Agreement will become binding when one (1) or more counterparts hereof, individually or taken together, will bear the necessary signatures.

21.12 NOTICES. All notices, consents, requests, demands, and other communications hereunder are to be in writing, and are deemed to have been duly given or made (1) when delivered in person, (2) five (5) days after transmittal by first class certified or registered mail, (3) in the case of express courier services, three (3) days after delivery to the courier service with payment provided for, or (4) if by facsimile, when sent and facsimile confirmation received, in each case addressed as follows:

If to TAB, to: TAB Boards International, Inc.
11031 Sheridan Boulevard
Westminster, Colorado 80020 USA
Attention: Jason P. Zickerman, President and CEO
Fax: (303) 839-0012

With a copy to: TAB Boards International, Inc.
11031 Sheridan Boulevard
Westminster, Colorado 80020 USA
Attention: Legal Department
Fax: (303) 839-0012

With a copy to: TAB Boards International, Inc.
11031 Sheridan Boulevard
Westminster, Colorado 80020 USA

Attention: Finance Department
Fax: (303) 839-0012

If to Franchisee: The address or fax number indicated on the first page of this Agreement.

Or to such other address or facsimile number as any party may designate by notice to the other Parties in accordance with the terms of this Section 21.12.

21.13 ENTIRE AGREEMENT. The terms contained herein, including all addenda, riders, and exhibits to this Agreement and all other agreements related to the relationship between the Parties, constitute the entire agreement between the Parties, and there are no representations, conditions, warranties, inducements, promises, or agreements, express, implied or collateral, oral or otherwise, between the Parties not embodied herein (other than those written disclosures required by law). Nothing in this or any related agreement is intended to disclaim the representations TAB made in TAB's Franchise Disclosure Document that TAB furnished to Franchisee. Except as otherwise provided herein, including, without limitation, TAB's right to modify the provisions of the Operations Manual, no amendment to this Agreement is binding unless executed by all of the Parties. No amendment to this Agreement is binding upon TAB unless such amendment is executed on behalf of TAB by its Chief Executive Officer.

21.14 SEVERABILITY. If any provision of this Agreement is construed as or declared invalid, such decision will not affect the validity of any and all remaining provisions, each of which will remain in full force and effect as if this Agreement had been executed with such invalid portion eliminated. If any restriction contained in this Agreement is deemed too broad to be capable of enforcement, the arbitrator or the court, as the case may be, is hereby authorized to modify or limit such restriction to the extent necessary to permit its enforcement. All covenants contained in this Agreement, including, but not limited to, those relating to non-competition, will be interpreted and applied consistent with the requirements of reasonableness and equity.

21.15 AMBIGUITY. In the case of any question of ambiguity relating to any provisions contained herein, there will not be any construction against the drafter of the Agreement.

21.16 HEADINGS AND REFERENCES. Headings and paragraph titles are for convenience of reference only and will not define, limit, or extend the scope or intent of this Agreement or any provision thereof. All terms and words used herein will be construed to include the number and gender as the context of this Agreement may require. Each section of this Agreement will be construed independently of any other section or provision of this Agreement. Any rights reserved to TAB may be exercised in its sole discretion, unless specifically stated to the contrary.

21.17 BUSINESS JUDGMENT. Whenever TAB reserves discretion in a particular area or where TAB agrees to exercise its rights reasonably or in its sole determination, TAB will satisfy its obligations whenever TAB exercise its reasonable business judgment in making its decision or exercising its rights. TAB's decisions or actions will be deemed to be the result of reasonable business judgment, even if other reasonable or even arguably preferable alternatives are available, if TAB's decision or action is intended, in whole or significant part, to promote or benefit the TAB System generally even if the decision or action also promotes TAB's financial or other individual interest.

21.18 ATTORNEY-IN-FACT. Franchisee irrevocably appoints TAB as Franchisee's true and lawful attorney for Franchisee, and in Franchisee's name, place and stead and on Franchisee's behalf, TAB may take action as may be necessary to amend or terminate all registrations and filings, or to sign other documents required by Franchisee under this Agreement. This appointment is being coupled with an interest to enable TAB to protect the Licensed Methods.

NOTE: Acceptance of this Agreement by TAB can only be made if executed by the Chief Executive Officer of TAB.

THIS CONTRACT CONTAINS A BINDING ARBITRATION PROVISION THAT MAY BE ENFORCED BY THE PARTIES.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the undersigned parties hereto have duly executed this TAB Boards International, Inc. Franchise Agreement as of the date that TAB accepts this Agreement.

TAB:

FRANCHISEE:

TAB BOARDS INTERNATIONAL, INC.,
a Colorado corporation

_____,
a(n) _____

Jason P. Zickerman
President and Chief Executive Officer

By: _____

Name: _____

Date: _____

Title: _____

**EXHIBIT I
TO FRANCHISE AGREEMENT**

ADDENDUM TO FRANCHISE AGREEMENT

This ADDENDUM TO FRANCHISE AGREEMENT (the “**Addendum**”) to the TAB Boards International, Inc. Franchise Agreement (the “**Agreement**”), dated _____, 20____, between TAB BOARDS INTERNATIONAL, INC. (“**TAB**”) and _____ (“**Franchisee**”), is made effective as of the date of the Agreement. To the extent not defined herein, all capitalized references in this Addendum will have the meanings as defined in the Agreement.

1. Protected Territory. The following ZIP codes, postal codes, and/or counties, which are located in the state(s) or province(s) of _____, constitute Franchisee’s Protected Territory:

As Franchisee becomes aware of any ZIP code, postal code and/or county changes in Franchisee’s Protected Territory, Franchisee will provide written notice of any such changes to TAB.

2. Marketing List. TAB will order Marketing Lists for Franchisee’s Protected Territory at a designated time prior to the start of Franchisee’s required Mass Marketing Campaign. Additional Marketing Lists may also be ordered. The information contained in these Marketing Lists may contain overlapping entries or information that is not current. There will likely be prospects in Franchisee’s Protected Territory to whom Franchisee may market that are not included on these Marketing Lists. This is a result of the nature of how these Marketing Lists are compiled and TAB assumes no responsibility for any such omissions or errors.

TAB relies on third party vendors to supply the data used to calculate total businesses, and thus TAB has no control over the accuracy or changes to this data which may take place at any time. The total business calculations listed in this Agreement are the then-current figures obtained by TAB from third party vendors on a periodic basis at TAB’s sole discretion. These figures may change over time for reasons outside of TAB’s control. Franchisee hereby agrees and acknowledges that total business count and content of the Marketing Lists are final and there will be absolutely no negotiation regarding the calculation of total businesses or the content of any Marketing Lists or other lists of prospects supplied by TAB pursuant to this Agreement. Franchisee acknowledges that the Marketing Lists and total business count are provided in “AS IS, WHERE IS” condition.

3. Training Program. Franchisee’s Initial Training Program will take place the week of _____.

4. Start of Business Operations. For the purposes of the Agreement, Franchisee’s Start of Business Operations, as defined in the Agreement, is _____.

NOTE: This date must be initialed by TAB’s CEO or Chairman to be effective _____.
[CEO or Chairman’s initials]

5. Managing Party and Facilitator(s).

(a) Managing Party approved for Franchisee’s Business is _____.

(b) Facilitator(s) approved for the initial Board(s) Franchisee forms is _____.

6. Acknowledgment of Non-Competitive Activity. TAB agrees that the following business consulting projects in which Franchisee has been engaging in the twelve (12) months prior to the Execution Date will not be considered a Competitive Activity subject to the restrictions described in Section 14.2(b) of the Agreement:

Prior to the Effective Date, Franchisee _____ (collectively, the “**Activities**”) that are not the same as or similar to the Licensed Methods, Strategic Business Leadership® program, TAB Business Vantage® tool or activities that are the same as or similar to Facilitating Boards or SBL Coaching. The Activities described above will not constitute Competitive Activities as long as Franchisee does not use the Licensed Methods or processes that are the same or similar thereto including the Strategic Business Leadership® program, the TAB Business Vantage® tool or activities that are the same as or similar to Facilitating Boards or SBL Coaching.

7. Term. The Term of the Franchise Agreement is checked below, commencing on Franchisee’s Start of Business Operations:

_____ Seven (7) years.

_____ Ten (10) years.

NOTE: This election must be initialed by TAB’s CEO or Chairman to be effective _____.
[CEO or Chairman’s initials]

Fully executed this ____ day of _____, 20__.

TAB:

FRANCHISEE:

TAB BOARDS INTERNATIONAL, INC.,
a Colorado corporation

_____,
a(n) _____

Jason P. Zickerman
President and Chief Executive Officer

By: _____

Name: _____

Date: _____

Title: _____

**EXHIBIT II
TO FRANCHISE AGREEMENT
STATEMENT OF OWNERSHIP**

This STATEMENT OF OWNERSHIP attached as Exhibit II to the TAB Boards International, Inc. Franchise Agreement (the “**Agreement**”) dated _____, 20____, between TAB BOARDS INTERNATIONAL, INC. (“**TAB**”) and _____ (“**Franchisee**”), will further define Franchisee’s form of ownership and those parties which have an ownership interest in Franchisee. To the extent not defined herein, all capitalized references in this Statement of Ownership will have the meanings defined in the Agreement.

1. Franchisee’s Name. Franchisee’s name is _____.

2. Franchisee’s Form of Ownership. Franchisee’s form of ownership is (select one below):

_____ Individual (No further information needed.)

_____ Corporation (Provide the state and date of incorporation, the names and addresses of each officer and director, and the names and addresses of every shareholder, including percentage of stock owned by each below.)

_____ Limited Liability Company (Provide the state and date of formation, the names and addresses of each manager, and the names and addresses of every member, including percentage of membership interest held by each member below.)

_____ Partnership (Provide name and address of each partner, percentage of business owned, whether active in management, and state in which partnership was formed below.)

Any and all changes to the above information must be reported to TAB within ten (10) business days prior to the date such changes take effect.

TAB:

FRANCHISEE:

TAB BOARDS INTERNATIONAL, INC.,
a Colorado corporation

_____,
a(n) _____

Jason P. Zickerman
President and Chief Executive Officer

By: _____

Name: _____

Date: _____

Title: _____

**EXHIBIT III
TO FRANCHISE AGREEMENT**

GUARANTY AND ASSUMPTION OF FRANCHISEE'S OBLIGATIONS

In consideration of, and as an inducement to, the execution of the above Franchise Agreement (the "**Agreement**"), by TAB BOARDS INTERNATIONAL, INC. ("**TAB**") in favor of _____ ("**Franchisee**"), each of the undersigned ("**Guarantor(s)**") hereby personally and unconditionally guarantees to TAB, its Affiliates (as defined in the Agreement), and their successors and assigns for the term of the Agreement and thereafter as provided in the Agreement that Franchisee will punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement. Each of the undersigned Guarantor(s) will be personally bound by, and personally liable for, the breach of each and every undertaking, agreement, covenant, and provision in the Agreement. Guarantor(s) further agree to be personally and unconditionally bound by each and every undertaking, agreement and covenant set forth in the Agreement. Each of the Guarantor(s) will personally comply with and abide by the non-competition provisions, other restrictive covenants and non-disclosure provisions contained in the Agreement, as well as the provisions in the Agreement relating to trademarks, assignment and transfer, to the same extent as and for the same period of time as Franchisee is required to comply with and abide by such covenants and provisions. All of the foregoing obligations of the undersigned will survive any expiration, transfer or termination of the Franchise Agreement or this Guaranty. To the extent not defined herein, all capitalized references in this Guaranty will have the meanings defined in the Agreement.

Each of the undersigned Guarantor(s) waives the following:

- (a) Notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed;
- (b) Protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed; and
- (c) Any right he or she may have to require that any action be brought against Franchisee or any other person as a condition of liability.

Each of the undersigned Guarantor(s) consents and agrees that:

- (a) His or her direct and immediate liability as defined herein will be joint and several;
- (b) He or she will render any payment or performance required under the Agreement upon demand, if Franchisee fails or refuses punctually to do so;
- (c) Such liability will not be contingent or conditioned upon pursuit by TAB of any remedies against Franchisee or any other person; and
- (d) Such liability will not be diminished, relieved, or otherwise affected by any extension of time, credit, or other indulgence which TAB may from time to time grant to Franchisee or to any other person, including, without limitation, the acceptance of any partial payment or performance or the compromise or release of any claims, none of which will in any way modify or amend this Guaranty, which will be continuing and irrevocable during the term of this Agreement, including renewals thereof.

If TAB or any of its Affiliates are required to enforce this Guaranty in any judicial proceeding or appeal thereof, Guarantor(s) will reimburse the TAB and Affiliates for their costs and expenses, including, but not limited to, reasonable accountants', attorneys', attorney assistants', and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses, whether incurred prior to, in preparation for or in contemplation of the filing of any written demand, claim, action, hearing or proceeding to enforce this Guaranty.

The undersigned Guarantor(s) also recognize that certain disputes relating to the Agreement are to be resolved by arbitration and hereby consent to such arbitration in accordance with Section 18 of the Agreement. The terms contained in the Agreement any applicable Addendum and this Guaranty constitute the entire agreement between the Parties, and there are no representations, inducements, promises, or agreements, oral or otherwise, between the Parties not embodied herein.

IN WITNESS WHEREOF, each of the undersigned Guarantor(s) has affixed his or her signature effective as of the same day and year as the Agreement was executed.

GUARANTOR(S):

By: _____

By: _____

Name: _____

Name: _____

Address: _____

Address: _____

Date: _____

Date _____

TAB HEREBY ACKNOWLEDGES AND ACCEPTS THE FOREGOING UNDERTAKINGS BY THE GUARANTOR(S) WHO SIGNED ABOVE.

TAB:

TAB BOARDS INTERNATIONAL, INC.,
a Colorado corporation

Jason P. Zickerman
President and Chief Executive Officer

Date: _____

**EXHIBIT IV
TO FRANCHISE AGREEMENT**

NON-DISCLOSURE AND NON-COMPETITION AGREEMENT

In consideration of, and as an inducement to, the execution of the TAB Boards International, Inc. Franchise Agreement (the “**Agreement**”), dated _____, 20____, between TAB BOARDS INTERNATIONAL, INC. (“**TAB**”) and _____ (“**Franchisee**”), this Non-Disclosure and Non-Competition Agreement (the “**NDNC Agreement**”) is made and entered into between TAB, Franchisee and Associate (as defined below). To the extent not defined herein, all capitalized references in this Non-Disclosure and Non-Competition Agreement will have the meanings defined in the Agreement.

RECITALS

WHEREAS, TAB owns, operates, and grants franchises for the establishment and operation of TAB Businesses that form Boards of Members, Facilitate Board Meetings and provide SBL Coaching under the Trademarks and using the Confidential Information and Trade Secrets;

WHEREAS, TAB’s Confidential Information and Trade Secrets are all operations, marketing, materials and data bases, advertising, development and related information which are developed and utilized in connection with the operation of Businesses, the Operations Manual, all aspects of the Licensed Methods, all information regarding Members, including Membership Information, the terms of the Agreement, and all TAB or its Affiliates proprietary information (whether in print, electronic form, or oral); and

WHEREAS, TAB and its Affiliates have established substantial goodwill and an excellent reputation with respect to the Confidential Information and Trade Secrets, which goodwill and reputation have been and will continue to be of major benefit to TAB and its Affiliates.

NOW, THEREFORE, in consideration of the foregoing, the mutual promises contained herein, and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, Associate, Franchisee, and TAB, intending legally to be bound, agrees as follows:

1. **ASSOCIATE**. Associate is (a) Managing Party, (b) if Franchisee is a corporation, partnership, limited liability company or other form of entity, a manager, officer, member, director, partner, shareholder, non-managing party, owner or any of the foregoing immediate family member who has access to the Confidential Information and/or Trade Secrets, (c) a Contract Facilitator, (d) if Franchisee is an individual, the immediate family member of Franchisee who has access to the Confidential Information and/or Trade Secrets, (e) an employee, agent or contractor who has access to the Confidential Information and/or Trade Secrets, or (f) a Guarantor who has signed the Guaranty and Assumption of Franchisee’s Obligations attached as Exhibit III to the Agreement.

2. **CONFIDENTIAL INFORMATION AND TRADE SECRETS**.

(a) **Ownership**. Associate acknowledges that the Confidential Information and Trade Secrets are the unique, exclusive property and Trade Secrets of TAB or TAB’s Affiliates, that TAB and its Affiliates have expended a great amount of effort and money in obtaining and developing the Confidential Information and Trade Secrets, that TAB and its Affiliates have taken numerous precautions to guard the secrecy of the Confidential Information and Trade Secrets, and that it would be very costly for TAB’s competitors to acquire or duplicate the Confidential Information and Trade Secrets.

(b) Wrongful Use. Associate acknowledges that any unauthorized disclosure or use of the Confidential Information and Trade Secrets would be wrongful and would cause irreparable injury and harm to TAB or TAB's Affiliates. Associate will not at any time, directly or indirectly, publish, disclose, divulge, or in any manner communicate to any person, firm, corporation, association, partnership, or any other entity whatsoever or use, directly or indirectly, for its own benefit or for the benefit of any person, firm, corporation or other entity other than for the use of TAB or in the operation of Franchisee's Business, any of the Confidential Information and Trade Secrets. Associate will not use, copy, or imitate or cause or permit any other party to use, copy, or imitate, directly or indirectly, (1) any confusingly similar method, website, format, procedure, technique, system, Trademark, name, trade dress, mark, symbol, emblem, tagline, insignia, term, designation, design, diagram, promotional material, or course material of TAB or its Affiliates, or (2) any facility or program of TAB or its Affiliates.

(c) Membership Information. Associate will keep confidential and not disclose information about Members or personal or business matters of a confidential nature that Associate learns from TAB, its Affiliates, another TAB franchisee, licensee or Member at a Board Meeting or from any private consulting or private coaching session or otherwise. Associate may disclose such information only pursuant to a valid court order, or with the permission of TAB, its Affiliates, another TAB franchisee, licensee or Member to whom the information pertains (as the case may be). Member Information will only be used for the purpose of operating the Franchisee's Business.

(d) Required Action. Associate will adopt and implement all reasonable procedures prescribed by TAB from time to time to prevent unauthorized use or disclosure of the Confidential Information and Trade Secrets.

3. COMPETITIVE ACTIVITY; NON-COMPETITION.

(a) Definition. For purposes of this NDNC Agreement, a "**Competitive Activity**" means:

(i) Marketing services and products that are the same as, similar to, or competitive with the Licensed Methods or those offered by Franchisee's Business;

(ii) Marketing or facilitating groups of business leaders, which group meetings are the same as or similar in nature to Boards;

(iii) Providing regularly-scheduled private coaching sessions, mentoring or providing strategic planning services for business owners or their planning teams that use processes, methods or systems that are the same as or similar in nature to those processes, methods or systems that are used by the SBL System or TAB System;

(iv) Providing services of the type provided by TAB or its Affiliates where those services are provided in relation to businesses of the type described in Sections 3(a)(i) to (iii);

(v) Owning, whether directly or indirectly, and whether beneficially or of record of any capital stock, partnership interest or any other interest in a business or entity that engages in the activities described in Sections 3(a)(i) to (iv);

(vi) Participating, either directly or indirectly, in the management or operation of a business as a partner, investor, shareholder, director, officer, employee, principal, agent, advisor, contractor or consultant or in any other capacity of any entity, business or person that engages in the activities described in Sections 3(a)(i) to (iv);

(vii) Franchising, licensing, conducting or being connected with or assisting any person, entity or business to franchise, license, conduct or be connected with the activities described in Sections 3(a)(i) to (iv); or

(viii) Diverting or attempting to divert, directly or indirectly, any business related to, or any customer or account of, a Business, TAB or its Affiliates, Other Businesses, or any other business then being offered or operated by TAB or its Affiliates in Franchisee's Protected Territory, or diverting or attempting to divert, directly or indirectly, the employment of any employee or Contract Facilitator of TAB, its Affiliates or another TAB franchisee or licensee to any entity to conduct activities described in this Section 3(a).

(b) Ancillary Business. Associate may conduct Ancillary Businesses, so long as the:

(i) Confidential Information, Trade Secrets, Trademarks or any portion thereof or anything confusingly similar thereto, URLs containing the Trademarks or any portion thereof or anything confusingly similar thereto, the Satellite Website and TAB proprietary materials are not used in connection with such Ancillary Businesses;

(ii) Ancillary Businesses do not constitute a Competitive Activity, as defined in Section 3(a) above;

(iii) Ancillary Businesses would not, in TAB's sole opinion, compete with a Business, any Other Business or business then being offered or operated by TAB or its Affiliates in Franchisee's Protected Territory; and

(iv) Ancillary Businesses would not likely harm or disparage the goodwill or be inconsistent with the image associated with a Business, TAB, any Other Business or business then being operated or offered by TAB or its Affiliates in Franchisee's Protected Territory or the Confidential Information, Trade Secrets and Trademarks.

(c) In Term Covenant. Associate acknowledges that TAB will be unable to protect the Confidential Information, Trade Secrets, other confidential and proprietary elements of Franchisee's Business and TAB's proprietary information and achieve an exchange of ideas with Franchisee and Associate if Associate were permitted to hold competitive interests or engage in Competitive Activities. Associate hereby covenants and agrees that, so long as Associate is an Associate as defined in Section 1 of this NDNC Agreement, except while associated with or operating Franchisee's Business in a manner authorized by TAB, Associate will not engage, directly or indirectly, in any Competitive Activity anywhere other than as expressly authorized under this NDNC Agreement. Associate acknowledges that a violation of this section would constitute an unfair method of competition.

(d) Post Termination Covenant. For a period of two (2) years following the later of (1) the termination, transfer, or expiration of the Agreement, (2) the last date that Associate was as Associate as defined in Section 1 of this NDNC Agreement, (3) the last date Associate Facilitates a Board or provides SBL Coaching, or (4) the entry of a final order by an arbitrator or a court of competent jurisdiction enforcing this covenant, Associate will not engage in any Competitive Activity within:

(i) Franchisee's Protected Territory;

(ii) Twenty-five (25) miles of the outer boundaries of Franchisee's Protected Territory;

(iii) Franchisee's Protected Territory of another Business other than Franchisee's Business; or

(iv) Twenty-five (25) miles of any location where a Board meets.

4. ACKNOWLEDGEMENTS. Associate acknowledges the following:

(a) That Associate will be able to earn a livelihood without violating the foregoing restrictions;

(b) That Associate's entire knowledge of the operation of Franchisee's Business and the Confidential Information and Trade Secrets that Associate now or will obtain is derived from TAB or its Affiliates' Confidential Information and Trade Secrets; and

(c) Communication among TAB, its Affiliates, Franchisee, Associate and TAB's other franchisees and licensees will be chilled if it is perceived that Associate is violating this Agreement.

5. CONFORMING TO THE REQUIREMENTS OF LAW. The parties hereto acknowledge that they have attempted to limit Associate's right to compete only to the extent necessary to protect TAB's legitimate business interests. The parties recognize that reasonable people may differ in making such a determination. The parties hereby agree that if the scope or enforceability of any restrictive covenant in this NDNC Agreement is in any way disputed at any time, an arbitrator or court may modify and enforce the covenant to the extent that they believe to be reasonable under the circumstances existing at the time.

6. INJUNCTION. TAB and its Affiliates must be protected against the potential for unfair competition by Associate's use of the Confidential Information or Trade Secrets in direct competition with TAB or its Associates. Associate acknowledges that TAB would not have entered into the Agreement or shared (or permitted the sharing of) the Confidential Information or Trade Secrets with Associate absent Associate's agreement to strictly comply with the provisions of this NDNC Agreement. Associate acknowledges that as an Associate, Associate will have access to TAB's or its Affiliates' Confidential Information and Trade Secrets, and will be in a unique position to use the special knowledge gained as an Associate. Associate acknowledges that a breach of the covenants contained in this NDNC Agreement will be deemed to threaten immediate and substantial irreparable injury to TAB or its Affiliates which cannot be compensated by monetary damages. Associate agrees that TAB or its Affiliates will have the right, without prior notice to Associate, to obtain immediate injunctive relief, including, preliminary, interim, interlocutory and permanent injunctive relief, without limiting any other rights or remedies they may have and without posting a bond.

7. EFFECT OF WAIVER. The waiver by Associate, Franchisee, TAB or its Affiliates of a breach of any provision of this NDNC Agreement will not operate or be construed as a waiver of any subsequent breach thereof.

8. BINDING EFFECT. This NDNC Agreement will be binding upon and inure to the benefit of Associate, Franchisee, TAB and its Affiliates, and their respective heirs, executors, representatives, successors, and assigns.

9. ENTIRE AGREEMENT. This NDNC Agreement and any documents referenced herein contain the entire agreement of Associate, Franchisee, and TAB relating to the matters set forth herein. It may not be changed orally, but only by an agreement in writing, signed by the party against whom enforcement of any waiver, change, modification, extension, or discharge is sought.

10. GOVERNING LAW. This NDNC Agreement will be governed by and construed under the laws of Colorado.

11. JURISDICTION AND VENUE. If a breach or threatened breach by Associate of this NDNC Agreement occurs, Associate hereby irrevocably submits to the jurisdiction of the state and federal courts of Colorado, and irrevocably agrees that venue for any action or proceeding will be in Denver, Colorado. All parties waive any objection to the jurisdiction of these courts or to venue in Denver, Colorado. Notwithstanding the foregoing, TAB, its Affiliates or Franchisee may enforce this NDNC Agreement in any court of proper jurisdiction in the state where Franchisee's Business is located.

12. SEVERABILITY. TAB has attempted to limit Associate's right to compete only to the extent necessary to protect TAB's and its Affiliates' legitimate business interests. The parties recognize that reasonable people may differ in making such a determination. The parties hereby agree that if the scope or enforceability of the restrictive covenant in this Agreement is in any way disputed at any time, a court may modify and enforce the covenant to the extent that the court believes to be reasonable under the circumstances existing at the time. TAB reserves the right to reduce the scope of said provision without Associate's or Franchisee's consent, at any time or times, effective immediately upon notice to Associate and Franchisee. Each of the foregoing covenants is to be construed as severable and independent and is intended to protect TAB, its Affiliates, and their successors and assigns and may be enforced by any of them.

13. COSTS OF ENFORCEMENT. In any action at law or in equity to enforce any of the provisions or rights under this NDNC Agreement, the unsuccessful party in such litigation, as determined by the court in a final judgment or decree, will pay the successful party or parties all costs, expenses and reasonable attorney's fees incurred therein by such party or parties (including without limitation such costs, expenses and fees on any appeals), and if such successful party will recover judgment in any such action or proceeding, such costs, expenses and attorney's fees will be included as part of such judgment.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have signed this Non-Disclosure and Non-Competition Agreement on the date first above written.

TAB:

TAB BOARDS INTERNATIONAL, INC.,
a Colorado corporation

Jason P. Zickerman
President and Chief Executive Officer

FRANCHISEE:

_____,
a(n) _____

By: _____

Name: _____

Title: _____

ASSOCIATE:

By: _____

Name: _____

**EXHIBIT V
TO FRANCHISE AGREEMENT**

CONDITIONAL ASSIGNMENT OF TELEPHONE AND DIRECTORY LISTINGS, ETC.

In consideration of, and as an inducement to, the execution of the TAB Boards International, Inc. Franchise Agreement (the “**Agreement**”), dated _____, 20____, between TAB BOARDS INTERNATIONAL, INC. (“**Assignee**”) and _____ (“**Assignor**”), this **CONDITIONAL ASSIGNMENT OF TELEPHONE AND DIRECTORY LISTINGS, ETC.** (the “**Assignment**”) is made and entered into on even date herewith, between Assignee and Assignor. To the extent not defined herein, all capitalized references in this Assignment will have the meanings as defined in the Agreement.

Pursuant to the terms of the Agreement, and other valuable consideration, Assignor assigns to Assignee all telephone numbers, directory listings, fax numbers, Internet website addresses and domain names, and other listings, whether in electronic or other media, used or to be used by Assignor in the operation of Assignor’s Business. Assignee assumes the performance of all of the terms, covenants, and conditions of the telephone, directory, or other company with respect to any such listings with the same force and effect as if they had originally been issued to Assignee. This Assignment is valid on the effective date first set forth above and is, in all circumstances, irrevocable. Assignee may fill in, add, or change the effective date and the listings at any time. The telephone, directory, or other company involved with any such listings is hereby authorized by both Assignee and Assignor to rely on this Assignment. Both Assignee and Assignor will hold harmless and indemnify the telephone, directory, or other company involved with any such listings from any claims based on reliance on this Assignment.

ASSIGNEE:

ASSIGNOR:

TAB BOARDS INTERNATIONAL, INC.,
a Colorado corporation

_____,
a(n) _____

Jason P. Zickerman
President and Chief Executive Officer

By: _____

Name: _____

Date: _____

Title: _____

**EXHIBIT VI
TO FRANCHISE AGREEMENT**

CLOSING ACKNOWLEDGMENT

This “**Closing Acknowledgment**,” attached as **Exhibit VI** to the TAB Boards International, Inc. Franchise Agreement (“**Agreement**”), dated _____, 2015, between TAB BOARDS INTERNATIONAL, INC. (“**TAB**”) and _____ (“**Franchisee**”), must be completed before or at the same time Franchisee signs the Agreement. To the extent not defined herein, all capitalized references in this Closing Acknowledgment will have the meanings as defined in the Agreement.

TAB salesperson handling this sale: _____.

A. The following are true and correct:

Yes _____ No _____ I had a face-to-face meeting with a salesperson or TAB representative.

If yes, the date of said meeting was: _____.

_____ The date on which I received TAB’s Franchise Disclosure Document.

_____ The date I received a fully completed copy (other than signatures) of the Agreement.

_____ The earliest date on which I signed the Agreement or any other binding document (not including the receipt for TAB’s Franchise Disclosure Document).

_____ The earliest date on which I delivered cash, check, or consideration to a TAB representative or any other salesperson.

B. Acknowledgement and Representations. Please answer and initial after each representation.

As you know, you (as Franchisee or representative of Franchisee) and TAB are entering into the Agreement for the operation of a Business. This purpose of this Closing Acknowledgment is to determine whether any statements or promises were made to you that TAB has not authorized or that may be untrue, inaccurate or misleading, and to be certain that you understand the limitations on claims that may be made by you by reason of the offer and sale of the Business. Please review each of the following questions carefully and provide honest responses to each question.

1. Did you receive a copy of TAB’s Franchise Disclosure Document (and all exhibits and attachments) at least (a) fourteen (14) days before the execution of the Agreement or any other agreement or payment of any consideration, or (b) if you are a resident of Iowa, at the earlier of first personal meeting or fourteen (14) days before the execution of the Agreement or any other other agreement or payment of any consideration, or (c) if you are a resident of New York, Oklahoma or Rhode Island, at the earlier of first personal meeting or ten (10) business days before the execution of the Agreement or other agreement or payment of any consideration, or (d) if you are a resident of Michigan, Oregon or Washington, ten (10) business days before the execution of any binding agreement or payment of any consideration?

Yes _____ No _____ Initial _____

2. Have you studied and reviewed carefully TAB's Franchise Disclosure Document and the Agreement?

Yes _____ No _____ Initial _____

3. Are the names, addresses and phone numbers of any broker and each of TAB's employees or representatives who were involved in offering the franchise for the Business to Franchisee listed on TAB's Franchise Disclosure Document receipt you signed (or on any updated receipt TAB provided to you)?

Yes _____ No _____ Initial _____

4. Do you understand that the Agreement contains the entire agreement between Franchisee and TAB concerning the franchise for the Business, and that any prior oral or written statements not included in the Agreement or TAB's Franchise Disclosure Document will not be binding?

Yes _____ No _____ Initial _____

5. Do you understand that the success or failure of Franchisee's Business will depend in large part on your skills and experience, your business acumen, your local market, the economy, inflation, and other economic and business factors?

Yes _____ No _____ Initial _____

6. Do you understand that the franchise for Franchisee's Business is for the right to operate a Business only in the Protected Territory, that there may be pre-existing Businesses operating in Franchisee's Protected Territory with no marketing or protected territory rights, and that TAB or its affiliates have the right to issue franchises or operate competing businesses for or at locations, as TAB determines, near Franchisee's Protected Territory?

Yes _____ No _____ Initial _____

7. Do you understand that you are bound by non-compete covenants (both in-term and post-term) listed in Section 14 of the Agreement and that an injunction is an appropriate remedy to protect the interests of the TAB System if you violate the covenants? Do you understand that the term "you" for the purposes of such covenants is defined broadly such that any actions in violation of the covenants by those holding any interest in Franchisee, including you, may result in an injunction, default and termination of the Agreement?

Yes _____ No _____ Initial _____

8. Do you understand that the current economic crisis and financial situation could have a negative impact on the franchise industry, the TAB System and Franchisee's Business? Do you also understand that the economic situation may worsen?

Yes _____ No _____ Initial _____

9. I had an opportunity to seek professional advice regarding TAB's Franchise Disclosure Document and the Agreement.

Yes _____ No _____ Initial _____

If you answered "No" to any of 1 to 9 above, please explain (attach additional sheets if necessary):

10. Was any oral, written or visual claim, guaranty, assurance or representation, promise, agreement, contract, commitment, understanding or otherwise made to you that contradicted the disclosures in TAB's Franchise Disclosure Document or the Agreement?

Yes _____ No _____ Initial _____

11. Was any oral, written or visual claim, guaranty, assurance or representation made to you by an employee or other person speaking on TAB's behalf that stated, suggested, predicted or projected your sales, income, expenses, cash flow, tax effects, performance or profit levels?

Yes _____ No _____ Initial _____

12. Did any employee or other person speaking on TAB's behalf make any statement or promise regarding the costs involved in operating a Business that is not contained in TAB's Franchise Disclosure Document or that is contrary to or different from the information in TAB's Franchise Disclosure Document?

Yes _____ No _____ Initial _____

13. Did any employee or other person speaking on TAB's behalf make any promises, agreements, contracts, commitments, representations, guarantees, assurances, understandings, "side deals," or other arrangements with you with respect to any matter, including, but not limited to, any representations or promises regarding advertising (television or otherwise), marketing, Franchisee's Protected Territory, operational assistance, or other services?

Yes _____ No _____ Initial _____

14. Are you relying in any way on any promises, guarantees, assurances, agreements, contracts, commitments, representations, understanding, or "side deals," except as explicitly set forth in the Agreement, or a written addendum or exhibit thereto, signed by Franchisee and TAB?

Yes _____ No _____ Initial _____

If you answered "Yes" to any of 10 to 14 above, please explain (attach additional sheets if necessary):

YOU UNDERSTAND THAT YOUR ANSWERS ARE IMPORTANT TO TAB AND THAT TAB WILL RELY ON THEM. BY SIGNING THIS CLOSING ACKNOWLEDGMENT, YOU ARE REPRESENTING THAT YOU HAVE CONSIDERED EACH QUESTION CAREFULLY AND RESPONDED TRUTHFULLY TO THE ABOVE QUESTIONS. IF MORE SPACE IS NEEDED FOR ANY ANSWER, CONTINUE ON A SEPARATE SHEET AND ATTACH.

TAB does not make or endorse any franchisee or other individual to make or endorse any representations, warranties, projections, or disclosures of any type of any financial information, date, or results with respect to this or any other franchise, whether with respect to sales, income, expenses, profits, cash flow, tax effects, or otherwise, whether made on behalf of or for TAB, any franchisee, or other individual, and expressly disclaims any such financial information, data, or results. If any such representations have been made to you by any person, immediately inform an officer of TAB.

In addition, TAB does not permit any promises, agreements, contracts, commitments, representations, understandings, "side deals," or otherwise, or variations or changes in or supplements to the Agreement, except by means of a written amendment thereto signed by Franchisee and an officer of TAB.

You understand and agree to all of the foregoing.

By: _____

By: _____

Name: _____

Name: _____

**EXHIBIT VII
TO FRANCHISE AGREEMENT
STATE LAW RIDER**

**EXHIBIT VIII
TO FRANCHISE AGREEMENT**

TRADEMARKS

Current Trademarks are:

TAB Trademarks

TRADEMARK
ACHIEVE SUCCESS WITH PEER ADVICE AND COACHING

TAB
TAB BOARDS
TAB BOARDS REWARDS
TAB BUSINESS VANTAGE
TALKTAB
THE ALTERNATIVE BOARD
THE ALTERNATIVE BOARD TAB
TIPS FROM THE TOP
TAB EMERGING ENTREPRENEUR BOARD
TABenos

SBL Trademarks

TRADEMARK
STRATEGIC BUSINESS LEADERSHIP

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EXHIBIT C
TO FRANCHISE DISCLOSURE DOCUMENT

MARKETING SUPPORT AGREEMENT

This **MARKETING SUPPORT AGREEMENT** (the “**Marketing Agreement**”) is made between TAB BOARDS INTERNATIONAL, INC. (“**TAB**”) and _____ (“**Franchisee**”), and is hereby incorporated into and made a part of the Franchise Agreement between the Parties (the “**Agreement**”), and shall be effective upon receipt by TAB.

NOW, THEREFORE, for and in consideration of the promises and covenants contained herein and in the Agreement, Franchisee agrees as follows:

1. **SCHEDULE**. The key dates set forth herein will allow Franchisee’s marketing event or other marketing, sales or prospecting activity to proceed in a timely manner. Should any of these dates be missed, all subsequent events in the marketing event or other marketing, sales or prospecting activity are in jeopardy of not being completed in a timely fashion. Missed dates may compromise the effectiveness of Franchisee’s marketing event or other marketing, sales or prospecting activity and may produce unsatisfactory results. Every effort will be made to make up time lost due to missed dates, but no guarantees can be made. If dates are missed and TAB’s corporate Marketing Department believes that a significant negative impact on Franchisee’s marketing event or other marketing, sales or prospecting activity will result, Franchisee will be asked to acknowledge the negative impact and either allow or disallow Franchisee’s marketing event or other marketing, sales or prospecting activity to proceed. If Franchisee disallows the marketing event or other marketing, sales or prospecting activity, it will be rescheduled for a time period provided by TAB depending upon Field Support Training Service availability. If Franchisee does not re-schedule Franchisee’s marketing event or other marketing, sales or prospecting activity, Franchisee acknowledges that TAB makes no representations or warranties as to the results of Franchisee’s marketing event or other marketing, sales or prospecting activity. Any costs incurred through Franchisee’s decision to stop and reschedule the marketing event or other marketing, sales or prospecting activity will be due to TAB, and TAB assumes no liability for these or any other lost or additional costs as a result of Franchisee’s election to stop and reschedule the marketing event or other marketing, sales or prospecting activity.
2. **NO WARRANTY**. When TAB provides services or arranges for others to provide services and/or marketing support for Franchisee’s marketing event or other marketing, sales or prospecting activity, TAB does not warrant or guarantee the results of any such service and/or marketing support or any marketing event or other marketing, sales or prospecting activity. There is no way to predict the number of TAB member prospects, if any, who will respond to any marketing event or other marketing, sales or prospecting activity. You assume complete financial liability for the marketing event or other marketing, sales or prospecting activity, regardless of the results.
3. **NO LIABILITY**. TAB is not responsible for mistakes or any other actions of outside resources or vendors used for the marketing event or other marketing, sales or prospecting activity. If, however, an outside resource or vendor has made mistakes in the performance of a marketing event or other marketing, sales or prospecting activity, TAB will request concessions or rebates on Franchisee’s behalf. If the outside resource or vendor grants any concessions or rebates, the amount will be credited to the cost of the particular marketing event or other marketing, sales or prospecting activity. The balance of the cost of the marketing event or other marketing, sales or prospecting activity, after crediting the concessions or rebates will be Franchisee’s responsibility.

4. **FRANCHISEE'S ACKNOWLEDGEMENTS.** Franchisee acknowledges that it is customary for (1) up to 10% of the phone numbers of prospective TAB members used in telemarketing to be disconnected, (2) up to 20% of the email addresses of prospective TAB members to be collected during the initial email collection process, and (3) up to 80% of the TAB Member prospects on any lists will not be reached through telemarketing efforts. Franchisee acknowledges that these numbers are a guideline and Franchisee's results may be greater than or less than the numbers set forth herein for Franchisee's marketing event or other marketing, sales or prospecting activities. TAB makes no representations or warranties regarding any lists, names, phone numbers, contact information, emails or other prospective TAB member information provided for any marketing event or other marketing, sales or prospecting activities and all such information is provided in its "AS IS, WHERE IS" condition.

5. **FORCE MAJEURE.** Neither TAB nor Franchisee shall be liable for losses or damages or deemed to be in breach of this Marketing Agreement if Franchisee or TAB exercises their respective best efforts to perform their respective obligations hereunder and any failure to perform such obligations results from (1) transportation shortages, inadequate supply of labor, material or energy, or the voluntary foregoing of the right to acquire or use any of the foregoing in order to accommodate or comply with the orders, requests, regulations, recommendations or instructions of any federal, state or municipal government or any department or agency thereof, (2) compliance with any law, ruling, order, regulation, requirement or instruction of any federal, state or municipal government or any department or agency thereof, (3) acts of God, (4) acts or omissions of the other party, or (5) fire, strike, embargo, war or riot. Any delay resulting from any of said causes shall extend performance accordingly or excuse performance in whole or in part, as may be necessary.

6. **FACSIMILE.** Facsimile signatures and faxed transmissions executed shall have the same full force and effect as originally executed documents.

Franchisee:

Date ____/____/____

EXHIBIT A TO MARKETING SUPPORT AGREEMENT

- Franchisee will research and engage with a telemarketing vendor to make outbound telemarketing calls to prospects on Franchisee's behalf.
- For launch campaigns, Franchisee will market to leads selected by Franchisee based on Franchisee's standard prospect filter. These leads are carefully selected based on TAB's analysis of prospect profiles most likely to become TAB members.
- For launch campaigns, Franchisee will identify prospect contacts based on past relationships and will upload into Salesforce.com ("SFDC") directly. Franchisee will either contact these leads directly or will request from the telemarketer that they be included in marketing campaign.
- For launch campaigns, Franchisee will research and contact potential referral partners and setup meetings to explain the TAB opportunity and seek to develop multiple local referral partners.
- For launch campaigns, Franchisee will research and participate in local business networking groups to complement telemarketing lead generation activities.
- For launch campaigns, when a Field Support Trainer ("FST") or Area Developer ("AD") is in the field, Franchisee will place phone calls to prospects and make "canvassing" visits to businesses to setup appointments to complement the marketing activities.
- For launch campaigns, Franchisee will actively use LinkedIn during the campaign, to directly identify prospects and setup appointments or invite them to events, to complement the TAB marketing tactics.
- For launch campaigns, Franchisee will be available full-time every day throughout the execution of the campaign. These days will be long, often lasting twelve hours, especially when FST or AD are in the field. No other business meetings or travel will be scheduled during this period.
- For launch campaigns, Franchisee will acquire collateral material and assemble into prospect packets in advance of the arrival of FST or AD.
- For launch campaigns, Franchisee will schedule a "Circle of Influence" event to educate local business influencers on the launch of the TAB business.
- Franchisee will read the full TAB Campaign Handbook and follow all protocols listed within.
- Franchisee commits to actively pursue additional training on SFDC and other items that would be logistical or administrative in nature, prior to FST or AD arrival, so as not to cut into field support time with those activities that can slow down the important work on acquisition.
- Franchisee will supply a voice recording that will be left on all prospect's voice mail systems if not reached on the last pass of telemarketing.
- Franchisee will promptly call all prospects that request a "facilitator callback" within twenty-four hours of being notified of each callback request.
- Franchisee will promptly email all prospects that request an "information request" within twenty-four hours of being notified of each info request if telemarketer does not provide this information request service.
- Franchisee will memorize a thirty second commercial and three minute commercial, and be prepared to present each professionally to prospects throughout the campaign
- Franchisee commits to being able to conduct a discovery meeting in a presentable and professional manner.
- For prospects that agree to be added to the "Tips from the Top ® newsletter (eTips)" mailing list, Franchisee will either add them to their email distribution list, or if they do not have this ability, will request that TAB add them to the corporate list.
- Franchisee will maintain an accurate calendar during the campaign execution period and will update the calendar as soon as Franchisee schedules any appointments directly.
- Franchisee will be fully prepared to professionally review twenty-two questions with prospects during "RFA" meetings.

- Franchisee will carefully review any collateral, email templates or direct mail templates for accuracy when sent by the TAB marketing department prior to printing.
- Franchisee will have voice mail, social media profiles and email signatures setup professionally that identify Franchisee as CEO/Owner/President (or similar) of The Alternative Board in Franchisee's territory.
- Franchisee will commit to updating Salesforce.com at least once per day throughout the campaign. This update will include lead status updates, detailed notes, confirmation call status (for event campaigns), discovery meeting or attendance status, RFA schedules, RFA attendance and member conversions.
- Franchisee will frequently receive callbacks from prospects when they were called by telemarketing but not reached. If Franchisee does not take these calls, Franchisee must notify telemarketer each day of callbacks received so that telemarketing can attempt to reach them again.
- Prior to meeting with a prospect, Franchisee will review the lead details and notes in SFDC and will research the prospect's company website and LinkedIn profile to be as prepared as possible for a successful meeting.
- At the completion of the campaign, Franchisee will send follow up emails to all prospects not reached to attempt to schedule additional appointments.
- At the completion of the campaign, Franchisee will work with FST or AD to create a detailed pipeline plan and will pursue all tasks listed on this plan.
- Responsibilities specific to event campaigns:
 - (1) Franchisee will organize all event details directly in advance of the start of marketing, including location, sponsor, dates, times, topic and other important details. Franchisee will have all projection equipment secured and tested in advance of arrival of FST or AD.
 - (2) Franchisee will promptly perform all confirmation calls and email confirmations as specified in the TAB Campaign Handbook.
 - (3) Franchisee will diligently prepare to professionally deliver presentation at event meetings.
 - (4) Ninety days after the completion of the campaign, Franchisee will follow up with all prospects who scheduled a meeting during the campaign, but did not become a member, to assess interest.

Franchisee:

Date ____/____/____

**EXHIBIT D
TO THE FRANCHISE DISCLOSURE DOCUMENT**

FIELD SUPPORT TRAINING SERVICES AGREEMENT

This **FIELD SUPPORT TRAINING SERVICES AGREEMENT** (the “**FSTS Agreement**”) is made between TAB Boards International, Inc. (“**TAB**”) and _____ (“**Franchisee**”), and is hereby incorporated into and made a part of the Franchise Agreement between the Parties (the “**Agreement**”), and shall be effective upon receipt by TAB. Capitalized terms not defined here have the meaning set out in the Agreement.

NOW, THEREFORE, for and in consideration of the promises and covenants contained herein and in the Agreement, Franchisee agrees as follows:

1. **FIELD SUPPORT TRAINING SCHEDULE**. The dates of Field Support Training Services shall be as follows:

Notwithstanding the foregoing, Franchisee must pass a core competency exam administered by TAB before the Field Support Training Services will be provided.

2. **CHANGES TO FIELD SUPPORT TRAINING SCHEDULE**. If the dates of Field Support Training per this FSTS Agreement are changed or altered in any way for any reason, TAB may, in its sole determination:

(a) Assign different Field Support Training personnel to provide the Field Support Training Services; and/or

(b) Postpone marketing campaign to a future date (weeks or months later), subject to next Field Support Training personnel availability regardless of the dates set out in the Agreement or the date Franchisee completes the Initial Training Program.

All scheduling and any subsequent changes must be approved by TAB.

UNDER NO CIRCUMSTANCES ARE FIELD SUPPORT TRAINING PERSONNEL AUTHORIZED TO MAKE SCHEDULING COMMITMENTS OR CHANGES TO ANY MARKETING SCHEDULE. ALL INQUIRIES, CHANGES, QUESTIONS OR COMMENTS MUST BE MADE DIRECTLY THROUGH THE DIRECTOR OF MEMBER ACQUISITION. COMMENTS REGARDING FIELD SUPPORT TRAINING SERVICES SCHEDULING OR DATE CHANGES BY ANYONE OTHER THAN THE DIRECTOR OF MEMBER ACQUISITION ARE NONBINDING, REGARDLESS OF THE SOURCE.

Please sign below and fax back to TAB at (303) 839-0012, or respond to the e-mail confirming Franchisee’s agreement to the dates of Field Support Training Services listed above, no later than (DATE). If TAB does not receive Franchisee’s executed copy of this FSTS Agreement by the above date, TAB may exercise the rights set out in Sections 2(a) and/or (b).

[SIGNATURE PAGE FOLLOWS]

	<p>FRANCHISEE:</p> <p>_____</p> <p>Individually Address: _____ _____</p> <p>Phone: _____ Fax: _____ Name: _____</p> <p>OR: If entity:</p>
	<p>(Insert name of entity here)</p> <p>By: _____ Name: _____ Title: _____ Address: _____ _____</p> <p>Phone: _____ Fax: _____</p> <p>By: _____ Name: _____ Title: _____ Address: _____ _____</p> <p>Phone: _____ Fax: _____</p> <p>Date: _____</p>

**EXHIBIT E
TO FRANCHISE DISCLOSURE DOCUMENT**

CRM SYSTEM USE AGREEMENT

This **CRM SYSTEM USE AGREEMENT** (the “**Agreement**”) is entered into by and between TAB BOARDS INTERNATIONAL, INC., a Colorado corporation with a principal place of business at 11031 Sheridan Boulevard, Westminster, Colorado 80020 (“**TAB**”), and the undersigned franchisee (“**Franchisee**”). TAB and Franchisee will sometimes be referred to herein as a “**Party**” and collectively as the “**Parties**.”

RECITALS

WHEREAS, TAB and Franchisee entered into a franchise agreement or independent associate agreement (the “**Franchise Agreement**”) pursuant to which Franchisee operates a TAB business as defined in the Franchise Agreement (the “**Business**”);

WHEREAS, TAB has a license and right to sub-license a customer relationship management system (the “**CRM System**”) through a third party vendor under a Master Subscription Agreement between TAB and such third party vendor;

WHEREAS, Franchisee desires to use the CRM System in the Business and TAB desires to grant Franchisee the right to use the CRM System in the Business in accordance with the terms of this Agreement and the Master Subscription Agreement; and

WHEREAS, all capitalized terms not defined in this Agreement have the meaning set out in the Franchise Agreement.

NOW, THEREFORE, for and in consideration of the promises and covenants contained herein and in the Franchise Agreement, the Parties agree as follows:

AGREEMENT

1. **CRM System Use.** TAB hereby grants Franchisee a non-exclusive sublicense to use the CRM System only in the Business for the period described in Sections 2 and 3. The sublicense is nontransferable and subject to the terms and conditions set out in the Master Subscription Agreement located at <https://www.salesforce.com/company/msa.jsp>.

2. **Use Period.** The sublicense will commence on the Effective Date set out in Section 8(e) and will expire on January 31, 2016 (the “**Period**”).

3. **Term and Termination.** The term of this Agreement shall extend from the Effective Date until the earliest of:

(a) **Expiration of the Period.** Upon expiration of the Period, so long as Franchisee is not in default of this Agreement or the Franchise Agreement, this Agreement will automatically renew for successive twelve month periods (the “**Renewal Period**”), unless either Party notifies the other in writing within forty-five days prior to the expiration of the Period or Renewal Period of its intent to terminate the Agreement;

(b) **Termination by TAB.** Termination by TAB if Franchisee is in default of the Franchise Agreement past all applicable cure periods or if Franchisee is in default of this Agreement and fails to cure such default within ten days from the date of TAB's written notice; or

(c) **Termination of the Master Subscription Agreement.** The Master Subscription Agreement is terminated.

4. **CRM System License Fee.** Franchisee will pay TAB a monthly license fee in the amount of \$94.00 (the "**License Fee**"). The License Fee will be due and payable within ten calendar days of the date of the invoice sent by TAB. If the License Fee is not received within the ten calendar day period, the License Fee will be deducted from Amounts Collected on Your Behalf. If this Agreement is terminated prior to the expiration of the Period or any Renewal Period, Franchisee will still pay the full amount of the License Fee for the remaining balance of the Period or any Renewal Period. A new License Fee in the then-current amount will be charged for each Renewal Period.

5. **Training and Technical Support.** TAB will make available to Franchisee a tutorial on the CRM System at the date and time scheduled by TAB from time to time. TAB may also provide reasonable technical support via telephone and e-mail, in TAB's determination, on TAB-specific customization to the CRM System during TAB's regular business hours. Franchisee may receive additional technical support from the third party vendor of the CRM System to the extent available from such third party vendor.

6. **Warranties.** The CRM System, training and technical support is provided in "AS IS, WHERE IS" condition. TAB MAKES NO REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WARRANTIES AS TO MERCHANTABILITY OF FITNESS FOR A PARTICULAR PURPOSE.

7. **Liability.** TAB will not be liable for any special, indirect, incidental or consequential damages arising from this Agreement or any negligence. In no event will TAB's liability under this Agreement exceed the CRM System License Fee paid by Franchisee. Franchisee acknowledges that the CRM System is a third party product. TAB has no liability arising from any damages to Franchisee's computer or data caused by installation or use of the CRM System.

8. **General Provisions.**

(a) **Miscellaneous Provisions.** The Miscellaneous Provisions set out in the Franchise Agreement are incorporated herein.

(b) **Governing Law.** This Agreement and the rights and obligations of the Parties hereunder shall be governed by, and construed and enforced in accordance with the laws of Colorado regardless of the choice of law rules of such state or any other jurisdiction. All disputes arising out of this Agreement shall be subject to the dispute resolution provisions in the Franchise Agreement. Franchisee agrees to submit to the personal and exclusive jurisdiction and venue of Colorado.

(c) **Assignment.** Franchisee may not assign Franchisee's rights under this Agreement without prior written approval from TAB.

(d) **No Changes.** All of the terms, conditions and provisions of the Franchise Agreement between Franchisee and TAB will remain in full force and effect as originally written and signed.

(e) Effective Date. The Effective Date of this Agreement is _____,
2015 (to be completed by TAB).

FRANCHISEE:

a(n) _____

By: _____

Name: _____

Title: _____

TAB:

TAB BOARDS INTERNATIONAL, INC.,
a Colorado corporation

Jason P. Zickerman
President and Chief Executive Officer

EXHIBIT F
TO THE FRANCHISE DISCLOSURE DOCUMENT
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TO THE FRANCHISE DISCLOSURE DOCUMENT
LIST OF FRANCHISEES AS OF DECEMBER 31, 2015

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	Raymond Champney	P.O. Box 1072 2300 Marshfield Drive Bedford, TX 76021 (817) 318-1233 tab@rjcenter.com
	Larry Dickman	13423 Blanco Road Suite 301 San Antonio, TX 78216 (210) 615-1800 ldickman@tabsanantonio.com
	John Dini (two franchises)	12015 Radium Street Suite 100 San Antonio, TX 78216 (210) 615-1800 jdini@mpninc.com

STATE	NAME	CONTACT INFORMATION
	Brad Duffy	3327 Fairmont Hills Lane Katy, TX 77494 (832) 840-8481 brad.duffy@tabhoustonsw.com
	Douglas Jamison	1305 Stone Lakes Drive Southlake, TX 76092 (817) 310-5858 jamison@tab-northcentraldfw.com
	Don Maranca	47 Michelangelo San Antonio, TX 78258 (210) 615-1800 dmaranca@tabsanantonio.com
	Kenneth O'Neal	1214 Virginia Drive Kerrville, TX 78028 (830) 285-7010 kenneth@tabbigco.com
	Ed and Valerie Riefenstahl	TCU Box 298540 Fort Worth, TX 76129 (817) 251-1711 eriefenstahl@tabfortworth.com
	Jim Robertson	74 Batesbrooke Court The Woodlands, TX 77381 (832) 813-5207 jim@tabwoodlands.com
	Milton Schopper	9103 Herts Road Spring, TX 77379 (713) 569-0001 milton@texasgulfgroup.com
	Rusty Smith	4203 Montrose Boulevard Unit 330 Houston, TX 77006 (713) 874-1648 rsmith@tab-houstonsc.com
	Jay Whittle	9646 Douglas Avenue Unit 210 Dallas, TX 75225 (214) 240-6787 jwhittle@tabmetrodallas.com
	Joseph Zente	13740 Research Boulevard Suite J5 Austin, TX 78750 (512) 331-1822 joe@tabaustin.com
UTAH		
	Craig Andrews	235 South 300 West Ivins, UT 84738 (435) 673-9895 craig@tabsunv.com

STATE	NAME	CONTACT INFORMATION
	Robert Marro	6296 South Macon Way Englewood, CO 80111 (303) 859-5000 bob@tab-denverdtc.com
	Kent Randall	1662 West Allegheny Drive Salt Lake City, UT 84123 (801) 629-9649 kent@tab-wasatchfront.com
VIRGINIA		
	Brad and Mary Williams (two franchises)	42727 Freedom Street Chantilly, VA 20152 (703) 327-8000 brad@tabalexandria.com

CANADA

PROVINCE	NAME	CONTACT INFORMATION
BRITISH COLUMBIA		
	Kevin Armstrong	Suite #708 1155 Pender Street, West Vancouver, BC V6E 2P4 (604) 683-6188 karmstrong@tabvancouver.com
	Malcolm Webster	6797 Greig Court Brentwood Bay, BC V8M 2G4 (250) 704-4434 malcolm@tabvancouverisland.com
	Rod Woodcock	15156 Columbia Avenue Whiterock, BC V4B 1J3 (778) 989-9493 rod.woodcock@tab-fraservalley.com
MANITOBA		
	Kim Christie	84 Risbey Crescent Winnipeg, MB R2Y 1M4 (204) 831-8631 kim@tab-winnipeg.com
ONTARIO		
	Gordon Cundell	629 Sandcherry Drive Burlington, ON L7T4L9 (519) 489-6750 gcundell@tab-tricitieson.com
	Mark Fornasiero	517 MacDonald Road Oakville, ON L6J 2B7 (416) 910-4996 Mark@TABBrampton.com
	Doug Kerr	1867 Truscott Drive Mississauga, ON L5J2A1 (905) 916-2468 doug@tabetobicoke.com

	Brian McFadyen	2186 Mountain Grove Avenue Suite 235 Burlington, ON L7P 4X4 (289) 335-4690 brian@tabvineland.com
	Neil Russell	1300 Britannia Road East Suite 205 Mississauga, ON L4W 1C8 (647) 202-8123 neil@tab-mississaugaeast.com
	Philip Spensieri	178 Main Street Suite 204 Unionville, ON L3R 2G9 (905) 475-4119 philip@tabyorkregion.com
	Peter Wares	435 Lesperance Road Windsor, ON N8N LW2 (519) 991-7751 peter@tabwindsorsex.com
	Ken West	212 Wychwood Avenue Toronto, ON M6C 2T3 (416) 652-9475 kenwest@echo-on.net
	John Womack	4055 Sladeview Crescent Unit 8 Mississauga, ON L5L 5Y1 (905) 607-4542 john@tabmississauga.com
	John Womack and Philip Spensieri	4055 Sladeview Crescent Unit 8 Mississauga, ON L5L 5Y1 (905) 607-4542 john@tabmississauga.com 178 Main Street Suite 204 Unionville, ON L3R 2G9 (905) 475-4119 philip@tabyorkregion.com

VENEZUELA

STATE	NAME	CONTACT INFORMATION
CARACAS		
	Carlos Hurtado	Av. Francisco de Miranda Edif. Adriatica, oficina 42 Altamira, Caracas, 1060, VEN + 58 212 265-3821 churtado@ceo-consultores.com

**EXHIBIT H
TO THE FRANCHISE DISCLOSURE DOCUMENT**

**FRANCHISEES WHO HAVE LEFT THE SYSTEM DURING THE MOST RECENTLY
COMPLETED FISCAL YEAR OR WHO HAVE NOT COMMUNICATED WITHIN TEN
WEEKS OF THE DATE OF THIS FRANCHISE DISCLOSURE DOCUMENT**

UNITED STATES

STATE	NAME	CONTACT INFORMATION
ARKANSAS		
	Harold Heinze	1009 Steele Road Springdale, AR 72762 (479) 445-8520 hcheinze@tabarkansasnwa.com
CALIFORNIA		
	Thomas Meyer	2011 Yucca Avenue Fullerton, CA 92835 (714) 501-8341 tmeyer@tabnorthoc.com
	Robert Kramer	4010 Sunridge Road Pebble Beach, CA 93953 (831) 622-0109 kramer@tabmonterysalinas.com
CONNECTICUT		
	Larry Gardner	20 Yogananda Street Sandy Hook, CT 06482 (203) 364-9039 larry@ljjgardner.com
	Vernon Miller	433 Ridgefield Road Wilton, CT 06897 (203) 761-0340 bmiller@tab-swct.com
DELAWARE		
	Doug Roof	108 Galileo Court Hockessin, DE 19707 (302) 235-1530 drooftab@verizon.net
GEORGIA		
	Spencer Sterling	5281 Glenridge Drive NE Atlanta, GA 30342 (404) 537-9647 spencer@tabnwatlanta.com
ILLINOIS		
	Denny Coll	3 Sun Valley Court Lake in the Hills, IL 60156 (847) 404-1767 dc65scribe@comcast.net

	Greg Yank	1332 Lantern Lights Circle Lebanon, IL 62254 (618) 567-7511 greg@gregyank.com
IOWA		
	Michael Humbert	2127 Lincolnshire Drive SE Cedar Rapids, IA 52403 (319) 365-2836 mhumbert@tab-easterniowa.com
NEBRASKA		
	Terry Wieczorek	6210 South 79th Circle Ralston, NE 68127 (402) 213-9009 terry@tablincoln.com
NEW JERSEY		
	Chuck Graziano	210 Nottingham Road Ramsey, NJ 07446 (201) 825-4822 cgraziano@tabnewjersey.com
NEW YORK		
	Peter Mintz	81 Pondfield Road Suite 140 Bronxville, NY 10708 (914) 663-9510 peterm@tab-sowestchester.com
	Steve Rosenberg	5 Avondale Court Briarcliff Manor, NY 10510 (914) 844-3958 tabwestchester@gmail.com
OKLAHOMA		
	Tra Pippin	601 NW 13th Street Oklahoma City, OK 73103 (405) 834-6336 tpippin@infinitesg.com
PENNSYLVANIA		
	Stephen Swanson	819 Achortown Road Beaver Falls, PA 15010 (412) 492-8476 stephen.swanson@juno.com
SOUTH CAROLINA		
	Jack Cope	409 Oxenbridge Way Chapin, SC 29036 (803) 281-0409 jcope@tabscmidlands.com
	Bernie Moscovitz	106 West Street Extension Suite A Beaufort, SC 29902 (843) 384-9911 bernie@tab-lowcountry.com

TEXAS		
	Dane Kelley	6529 Shady Point Plano, TX 75024 (972) 839-6873 dkelley@tabcollinco.com
UTAH		
	Russell Lookadoo	770 East Main Street Box 211 Lehi, UT 84043 (801) 808-3681 rlookadoo@tab-saltlakemetro.com
WISCONSIN		
	Michael Audit	1550 McIntosh Court Oshkosh, WI 54904 (920) 232-6999 maudit@tab-new.com
	Alan Wallach	1628 East Cumberland Boulevard Milwaukee, WI 53211 (414) 961-1447 avwallach@sbcglobal.net

CANADA

PROVINCE	NAME	CONTACT INFORMATION
ONTARIO		
	Tom Eansor	1357 Birchcliff Drive Oakville, ON L6M2A3 (905) 847-0420 tjeansor@hotmail.com

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

EXHIBIT I
TO THE FRANCHISE DISCLOSURE DOCUMENT
AUDITED FINANCIAL STATEMENTS



**TAB BOARDS INTERNATIONAL, INC. AND SUBSIDIARY
DBA THE ALTERNATIVE BOARD**

**Consolidated Financial Statements
and
Independent Auditors' Report
December 31, 2015, 2014, and 2013**

EKS&H
AUDIT | TAX | CONSULTING

**TAB BOARDS INTERNATIONAL, INC. AND SUBSIDIARY
DBA THE ALTERNATIVE BOARD**

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INDEPENDENT AUDITORS' REPORT

Board of Directors and Stockholders
TAB Boards International, Inc. and Subsidiary dba The Alternative Board
Westminster, Colorado

We have audited the accompanying consolidated financial statements of TAB Boards International, Inc. and Subsidiary dba The Alternative Board, which are comprised of the consolidated balance sheets as of December 31, 2015, 2014, and 2013, and the related consolidated statements of income and comprehensive income, changes in stockholders' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated 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 consolidated financial statements.

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

OPINION

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of TAB Boards International, Inc. and Subsidiary dba The Alternative Board as of December 31, 2015, 2014, and 2013, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

EKS&H LLLP
EKS&H LLLP

March 22, 2016
Denver, Colorado

**TAB BOARDS INTERNATIONAL, INC. AND SUBSIDIARY
DBA THE ALTERNATIVE BOARD**

Consolidated Balance Sheets

	December 31,		
	2015	2014	2013
Assets			
Current assets			
Cash and cash equivalents	\$ 1,255,025	\$ 1,086,033	\$ 1,059,904
Short-term investments	433,524	-	-
Accounts receivable, net	315,602	158,531	79,847
Accounts receivable, related party	83,985	158,541	54,909
Notes receivable, current portion, net	132,095	250,126	23,595
Prepaid and other assets	<u>42,554</u>	<u>55,852</u>	<u>124,282</u>
Total current assets	<u>2,262,785</u>	<u>1,709,083</u>	<u>1,342,537</u>
Non-current assets			
Property and equipment, net	342,873	407,954	473,366
Due from related parties	451,693	388,401	326,318
Notes receivable, less current portion, net	37,100	10,000	14,964
Intangible assets, net	<u>241,696</u>	<u>276,335</u>	<u>310,973</u>
Total non-current assets	<u>1,073,362</u>	<u>1,082,690</u>	<u>1,125,621</u>
Total assets	<u>\$ 3,336,147</u>	<u>\$ 2,791,773</u>	<u>\$ 2,468,158</u>
Liabilities and Stockholders' Equity			
Current liabilities			
Accounts payable	\$ 962,014	\$ 910,843	\$ 868,478
Accrued expenses	685,168	434,654	334,221
Deferred revenue	<u>355,070</u>	<u>231,565</u>	<u>154,005</u>
Total current liabilities	<u>2,002,252</u>	<u>1,577,062</u>	<u>1,356,704</u>
Total liabilities	<u>2,002,252</u>	<u>1,577,062</u>	<u>1,356,704</u>
Commitments			
Stockholders' equity			
Common stock, no par value; 6,000,000 shares authorized; 990,000 (2015, 2014, and 2013) shares issued and outstanding	7,412	7,412	7,412
Advances to stockholders	(159,513)	(174,244)	(259,762)
Accumulated other comprehensive (loss) income	(95,828)	-	-
Retained earnings	<u>1,581,824</u>	<u>1,381,543</u>	<u>1,363,804</u>
Total stockholders' equity	<u>1,333,895</u>	<u>1,214,711</u>	<u>1,111,454</u>
Total liabilities and stockholders' equity	<u>\$ 3,336,147</u>	<u>\$ 2,791,773</u>	<u>\$ 2,468,158</u>

See notes to consolidated financial statements.

**TAB BOARDS INTERNATIONAL, INC. AND SUBSIDIARY
DBA THE ALTERNATIVE BOARD**

Consolidated Statements of Income and Comprehensive Income

	For the Years Ended		
	December 31,		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
Revenues (Note 10)			
Franchise royalties and fees	\$ 3,442,032	\$ 3,420,113	\$ 3,447,221
Initial franchise and training fees	1,863,674	1,557,949	1,217,883
Other revenue	354,966	284,075	276,804
Marketing development revenue	228,378	209,667	207,624
Marketing campaign revenue	<u>164,245</u>	<u>256,944</u>	<u>82,972</u>
Total revenues	<u>6,053,295</u>	<u>5,728,748</u>	<u>5,232,504</u>
Operating expenses			
General and administrative	3,699,359	3,611,065	3,517,504
Marketing, membership development, commissions, and other direct expenses	1,570,524	1,542,974	983,011
Marketing development expense	228,378	209,667	207,624
Depreciation and amortization	162,251	195,223	193,109
Royalties - related party	<u>48,016</u>	<u>48,818</u>	<u>75,982</u>
Total operating expenses	<u>5,708,528</u>	<u>5,607,747</u>	<u>4,977,230</u>
Income from operations	<u>344,767</u>	<u>121,001</u>	<u>255,274</u>
Other income (expense)			
Interest income	1,538	-	494
Interest expense	(4,340)	(3,262)	(22)
Gain on disposal of assets	<u>8,316</u>	<u>-</u>	<u>-</u>
Total other income (expense)	<u>5,514</u>	<u>(3,262)</u>	<u>472</u>
Net income	350,281	117,739	255,746
Other comprehensive (loss) income	<u>(95,828)</u>	<u>-</u>	<u>-</u>
Comprehensive income	<u>\$ 254,453</u>	<u>\$ 117,739</u>	<u>\$ 255,746</u>

See notes to consolidated financial statements.

**TAB BOARDS INTERNATIONAL, INC. AND SUBSIDIARY
DBA THE ALTERNATIVE BOARD**

**Consolidated Statement of Changes in Stockholders' Equity
For the Years Ended December 31, 2015, 2014, and 2013**

	<u>Common Stock</u>		<u>Retained Earnings</u>	<u>Advances to Stockholders</u>	<u>Accumulated Other Comprehensive (Loss) Income</u>	<u>Total Stockholders' Equity</u>
	<u>Shares</u>	<u>Amount</u>				
Balance - December 31, 2012	990,000	\$ 7,412	\$ 1,108,058	\$ (160,315)	\$ -	\$ 955,155
Advances to stockholders	-	-	-	(99,447)	-	(99,447)
Net income	-	-	255,746	-	-	255,746
Balance - December 31, 2013	990,000	7,412	1,363,804	(259,762)	-	1,111,454
Advances to stockholders	-	-	-	(34,212)	-	(34,212)
Decreases in advances to stockholders, net	-	-	-	119,730	-	119,730
Member distributions	-	-	(100,000)	-	-	(100,000)
Net income	-	-	117,739	-	-	117,739
Balance - December 31, 2014	990,000	7,412	1,381,543	(174,244)	-	1,214,711
Advances to stockholders	-	-	-	(30,667)	-	(30,667)
Decrease in advances to stockholders, net	-	-	-	45,398	-	45,398
Other comprehensive loss - translation adjustment	-	-	-	-	(95,828)	(95,828)
Member distributions	-	-	(150,000)	-	-	(150,000)
Net income	-	-	350,281	-	-	350,281
Balance - December 31, 2015	<u>990,000</u>	<u>\$ 7,412</u>	<u>\$ 1,581,824</u>	<u>\$ (159,513)</u>	<u>\$ (95,828)</u>	<u>\$ 1,333,895</u>

See notes to consolidated financial statements.

**TAB BOARDS INTERNATIONAL, INC. AND SUBSIDIARY
DBA THE ALTERNATIVE BOARD**

Consolidated Statements of Cash Flows

	For the Years Ended		
	December 31,		
	2015	2014	2013
Cash flows from operating activities			
Net income	\$ 350,281	\$ 117,739	\$ 255,746
Adjustments to reconcile net income to net cash provided by operating activities			
Depreciation and amortization	162,251	195,223	193,109
Provision for doubtful accounts	89,703	(41,463)	43,823
Proceeds from sale of property and equipment	18,630	-	-
Gain on disposal of property and equipment	(8,316)	-	-
Notes receivable issued from franchisees and master franchisees	(173,692)	(290,601)	(78,003)
Changes in assets and liabilities			
Accounts receivable	(223,390)	(17,857)	(30,996)
Prepaid and other assets	13,298	68,430	82,717
Accounts payable	51,171	42,365	(64,686)
Accrued expenses	100,514	100,433	66,321
Deferred revenue	123,505	89,305	(185,839)
	<u>153,674</u>	<u>145,835</u>	<u>26,446</u>
Net cash provided by operating activities	<u>503,955</u>	<u>263,574</u>	<u>282,192</u>
Cash flows from investing activities			
Purchase of property and equipment	(72,845)	(95,173)	(121,685)
Purchases of investments	(433,524)	-	-
Purchases of intangible assets	-	-	(148,171)
Proceeds from notes receivable	241,239	37,925	50,120
Net cash used in investing activities	<u>(265,130)</u>	<u>(57,248)</u>	<u>(219,736)</u>
Cash flows from financing activities			
Payments on related party notes payable	-	-	(13,919)
Payments from (to) related parties	25,995	(180,197)	60,726
Net cash provided by (used in) financing activities	<u>25,995</u>	<u>(180,197)</u>	<u>46,807</u>
Net increase in cash and cash equivalents	264,820	26,129	109,263
Cash and cash equivalents - beginning of year	1,086,033	1,059,904	950,641
Effect of exchange rate on cash	(95,828)	-	-
Cash and cash equivalents - end of year	<u>\$ 1,255,025</u>	<u>\$ 1,086,033</u>	<u>\$ 1,059,904</u>

(Continued on the following page)

See notes to consolidated financial statements.

**TAB BOARDS INTERNATIONAL, INC. AND SUBSIDIARY
DBA THE ALTERNATIVE BOARD**

Consolidated Statements of Cash Flows

(Continued from the previous page)

Supplemental disclosure of cash flow information:

Cash paid for interest for the years ended December 31, 2015, 2014, and 2013 was \$4,340, \$3,262, and \$22, respectively.

Supplemental disclosure of non-cash activity:

During the year ended December 31, 2015, the Company declared a deemed equity distribution of \$150,000 that had not been paid as of year-end.

During the year ended December 31, 2015, the Company reduced accounts receivable and issued \$51,850 in the form of notes receivable.

During the year ended December 31, 2014, the Company reduced \$100,000 in advances to stockholders in the form of a deemed equity distribution.

During the year ended December 31, 2014, the Company sold master franchise agreements to area developers in exchange for notes receivable totaling \$80,000. The Company will accept payment on the notes receivable in the form of commissions earned for franchise sales and unit franchisee support services. Total payments in the amount of \$11,745 were applied to this balance during the year ended December 31, 2014.

During 2015, 2014, and 2013, the Company entered into notes receivable from franchisees and master franchisees totaling \$225,542, \$290,601, and \$78,001, respectively.

See notes to consolidated financial statements.

**TAB BOARDS INTERNATIONAL, INC. AND SUBSIDIARY
DBA THE ALTERNATIVE BOARD**

Notes to Consolidated Financial Statements

Note 1 - Description of Business and Summary of Significant Accounting Policies

TAB Boards International, Inc. and Subsidiary dba The Alternative Board (the "Company") was incorporated on January 2, 1996 as IHTAB, Inc. During 2002, the Company changed its name to TAB Boards International, Inc. ("TAB") to reflect its continuing efforts to expand into international markets. The Company is a leading international provider of peer advisory and coaching solutions to leaders in privately held businesses. These services use the Company's proprietary methods of doing business.

The Company formed a wholly owned subsidiary, IHTAB-Canada Ltd., on August 25, 1997 in the province of Alberta. This entity began operations in 1998 to support the franchising opportunities in Canada. On June 8, 2004, the subsidiary changed its province of incorporation to Nova Scotia and changed its name to TAB Boards International (Canada), Inc. During 2006, the subsidiary changed its name to TAB Boards International (Canada) Corporation. During 2002, the Company opened operations in Venezuela. Beginning in 2009, the Company entered into master franchise agreements with companies in the United Kingdom, New Zealand, Germany, Ireland, the Czech Republic, Australia, and Austria. The Company continues to explore other international expansion opportunities.

The following table summarizes the franchise activity for the TAB System:

	<u>December 31,</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
Franchises at the beginning of the year	165	151	145
Franchises sold and operational	38	23	18
Franchises closed	<u>(19)</u>	<u>(9)</u>	<u>(12)</u>
Franchises at the end of the year	<u>184</u>	<u>165</u>	<u>151</u>
Franchises sold but not yet in operation	<u>-</u>	<u>1</u>	<u>-</u>

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of TAB and its subsidiary, TAB Boards International (Canada) Corporation. All intercompany accounts and transactions have been eliminated in consolidation.

Foreign Currency

The assets and liabilities of the Company's foreign subsidiary are translated from their functional currency, the Canadian dollar, into U.S. dollars at the rates in effect at the consolidated balance sheet date. Revenue and expense transactions are translated into U.S. dollars using the average rate prevailing during the month of the related transaction. The Company records translation gains and losses in accumulated other comprehensive (loss) income as a component of stockholders' equity. Foreign currency gains and losses are included in net income.

**TAB BOARDS INTERNATIONAL, INC. AND SUBSIDIARY
DBA THE ALTERNATIVE BOARD**

Notes to Consolidated Financial Statements

Note 1 - Description of Business and Summary of Significant Accounting Policies (continued)

International Sales

Revenue by geographic area is as follows:

	<u>December 31,</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
United States revenue	\$ 4,637,426	\$ 4,702,901	\$ 4,230,386
International revenue	<u>1,415,869</u>	<u>1,025,847</u>	<u>1,002,118</u>
	<u>\$ 6,053,295</u>	<u>\$ 5,728,748</u>	<u>\$ 5,232,504</u>

Cash and Cash Equivalents

The Company considers all highly liquid instruments purchased with an original maturity of three months or less to be cash equivalents. The Company continually monitors its positions with, and the credit quality of, the financial institutions with which it invests. As of the consolidated balance sheet date, and periodically throughout the years, cash and cash equivalent balances exceeded the federally insured limit.

Short-Term Investments

Short-term investments consist of one-year cashable guaranteed investment contracts. The Company classifies its investments with original maturities in excess of three months and less than twelve months as held-to-maturity short-term investments. Held-to-maturity investments are those the Company has the ability and intent to hold until maturity. As of December 31, 2015, the carrying amount of the investments are \$433,524, which approximates fair value. The investments mature at various times throughout 2016 and bear interest at various rates from 0.91% to 1.00%.

Concentrations of Credit Risk

The Company grants credit in the normal course of business to its franchises. The Company performs an initial credit analysis of its franchisees to reduce credit risk.

Accounts Receivable

The Company considers a reserve for doubtful accounts based on the creditworthiness of the franchisee. The provision for uncollectible amounts is continually reviewed and adjusted to maintain the allowance at a level considered adequate to cover future losses. The allowance is management's best estimate of uncollectible accounts and is determined by estimating the collectibility of each individual account balance on an ongoing basis. The losses ultimately incurred could differ materially in the near term from the amounts estimated in determining the allowance. As of December 31, 2015, 2014, and 2013, the allowance for doubtful accounts was \$92,624, \$78,155, and \$138,982, respectively.

**TAB BOARDS INTERNATIONAL, INC. AND SUBSIDIARY
DBA THE ALTERNATIVE BOARD**

Notes to Consolidated Financial Statements

Note 1 - Description of Business and Summary of Significant Accounting Policies (continued)

Property and Equipment

Property and equipment is stated at cost. Depreciation is provided utilizing the straight-line method over the estimated useful lives for owned assets, ranging from 5 to 39 years, and leasehold improvements are amortized over the shorter of the life or the related lease terms.

Intangible Assets

Intangible assets are recorded at cost and are amortized on the straight-line basis over their contractual or estimated useful lives as follows:

TIPS FROM THE TOP	15 years
TAB System	15 years
TAF	10 years

During 2012, the Company began developing a new program, The Alignment Factor ("TAF"), for the benefit of current and future franchisees. The Company capitalizes certain direct and indirect costs incurred to develop kits, trademarks, online training, DVDs, books, etc. related to TAF. As of December 31, 2015, 2014, and 2013, capitalized costs were \$257,859 and were included in intangible assets. TAF capitalized costs are being amortized over 10 years.

Long-Lived Assets

The Company reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recovered. When necessary, the Company looks primarily to the undiscounted future cash flows in its assessment of whether long-lived assets have been impaired. No impairment has been recorded for the years ended December 31, 2015, 2014, and 2013.

Franchise Royalties and Fees

Pursuant to the current franchise agreements, franchisees are required to pay business assessment fees, royalty or opportunity fees, and member administration and support fees. All fees are recognized when earned.

Initial Franchise and Training Fees and Related Franchise Costs

Initial franchise and training fees paid by franchisees are recognized as revenue when all material services and conditions required to be performed by the Company have been substantially completed, which is generally when the franchise commences operations. Initial franchise and training fees collected by the Company before all material services and conditions are substantially performed are recorded as deferred revenue and are non-refundable. Related costs are deferred and are expensed when the revenue is recognized.

**TAB BOARDS INTERNATIONAL, INC. AND SUBSIDIARY
DBA THE ALTERNATIVE BOARD**

Notes to Consolidated Financial Statements

Note 1 - Description of Business and Summary of Significant Accounting Policies (continued)

Master Franchise Agreement

The master franchise agreement ("Master Agreement") provides a non-exclusive right to sell and open franchises in a defined geographic territory and requires the master franchisor to be responsible for advertising, soliciting, screening, and approving prospective franchisees in the defined territory. The initial master franchise fee is recognized when paid as the Company does not have any future obligation to the master franchisor. The Master Agreement also requires the master franchisor to sell and start operations of a minimum number of new franchises per year or the Master Agreement can be terminated. Additionally, the master franchisor will pay the Company an agreed-upon royalty percentage as defined in the Master Agreement. The Master Agreement is for a period of 10 years, with the option to extend for an additional 20 years.

Marketing Campaign Revenue and Expense

Marketing campaign revenues are recognized ratably as the related costs are incurred.

On January 1, 2015, the Company elected to change its method of recognizing campaign revenue and expenses. In prior years, campaign revenue was deferred when received and recognized at the end of the campaign. The new method of accounting for campaign revenue was adopted because management believes this method provides a more meaningful presentation of its financial position due to matching of current costs with current revenues. Comparative financial statements of prior years have not been adjusted as the change in method was determined to be immaterial.

Marketing Development Revenue

A marketing development fee is due monthly from each franchisee pursuant to the franchise agreement. Revenues and expenses are recognized in equal amounts as marketing development expenses are incurred. Marketing development expenses are used to promote brand awareness, which enhances member lead generation, and include but are not limited to creating and testing direct response materials, media relations, advertising, and promotional marketing materials.

Advertising Costs

The Company expenses advertising costs as incurred. Such advertising is used to recruit qualified potential franchise candidates. Advertising expense for the years ended December 31, 2015, 2014, and 2013 was \$59,848, \$53,592, and \$77,985, respectively.

Income Taxes

The Company has elected to be treated as an S corporation for income tax purposes. Accordingly, all taxable income and losses are reported in the income tax returns of the Company's stockholders, and no provision for income taxes has been recorded in the accompanying consolidated financial statements.

**TAB BOARDS INTERNATIONAL, INC. AND SUBSIDIARY
DBA THE ALTERNATIVE BOARD**

Notes to Consolidated Financial Statements

Note 1 - Description of Business and Summary of Significant Accounting Policies (continued)

Income Taxes (continued)

If taxing authorities were to disallow any tax positions taken by the Company, the additional income taxes, if any, would be imposed on the Company's stockholders rather than the Company. Accordingly, there would be no effect on the Company's consolidated financial statements.

Interest and penalties associated with tax positions are recorded in the period assessed as general and administrative expenses. No interest or penalties have been assessed during the years ended December 31, 2015, 2014, and 2013. Currently, none of the Company's information returns are being examined by any state or federal tax agencies.

Use of Estimates

The preparation of consolidated 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 disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Fair Value Measurements

Fair value is an exit price representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. Fair value is determined for assets and liabilities and establishes a hierarchy for which these assets and liabilities must be grouped, based on significant levels of inputs as follows:

- Level 1: Quoted prices in active markets for identical assets or liabilities;
- Level 2: Quoted prices in active markets for similar assets and liabilities and inputs that are observable for the asset or liability; or
- Level 3: Unobservable inputs in which there is little or no market data, which requires the reporting entity to develop its own assumptions.

The determination of where assets and liabilities fall within this hierarchy is based upon the lowest level of input that is significant to the fair value measurement. As of December 31, 2015, the Company's short-term investments are considered Level 1 investments.

**TAB BOARDS INTERNATIONAL, INC. AND SUBSIDIARY
DBA THE ALTERNATIVE BOARD**

Notes to Consolidated Financial Statements

Note 2 - Notes Receivable

Notes receivable consist of the following:

	December 31,		
	2015	2014	2013
Note receivable from a master franchisee bearing interest at 0.0% and collateralized by the master franchise agreements and guaranteed by the franchiser. Principal and interest were due at note maturity (December 31, 2015). This note is past due.	\$ 40,771	\$ 154,000	\$ -
Notes receivable from a master franchisee bearing interest at 3.00%, collateralized by the master franchise agreement, and guaranteed by the franchiser. Principal and interest are due at the earlier of note maturity dates ranging from June 5, 2016 through December 31, 2016, or 35% payment (net of broker fees) of the initial franchise fee charged to each of its TAB unit franchisees under the master services agreement.	97,200	-	-
Unsecured note receivable from a franchisee bearing interest at 0.0%. Monthly payments of \$1,000 were due through July 2015. Monthly payments of \$1,286 are due from August 2015 through maturity (September 15, 2016).	11,570	-	-
Unsecured note receivable from a master franchisee bearing interest at 0.0%, collateralized by the master franchise agreement, and guaranteed by the franchiser. Payments are due at note maturity (August 28, 2016).	20,000	-	-
Unsecured note receivable from a franchisee bearing interest at 3.00% guaranteed by the franchiser. Monthly payments of \$450 are due through September 15, 2018, and \$12,136 is due at maturity (October 15, 2018).	26,500	-	-

**TAB BOARDS INTERNATIONAL, INC. AND SUBSIDIARY
DBA THE ALTERNATIVE BOARD**

Notes to Consolidated Financial Statements

Note 2 - Notes Receivable (continued)

	December 31,		
	2015	2014	2013
Note receivable from an area developer bearing interest at 2.31% and collateralized by the area developer agreement. The balance will be reduced in exchange for commissions earned by the area developers. Monthly payments of \$1,000 are due beginning April 1, 2015, and any remaining balance will be due at maturity (December 31, 2015). This note is past due.	64,788	80,000	-
Unsecured note receivable from a franchisee bearing interest at 3.0%. Monthly payments of \$1,000 were due through August 2014. Monthly payments of \$2,000 are due from September 2014 through maturity (June 1, 2016).	28,000	42,000	50,000
Notes receivable from franchisees that were paid in full during 2015.	-	26,676	-
Notes receivable from area developers that were paid in full during 2015.	-	1,850	13,595
	288,829	304,526	63,595
Less allowance	(119,634)	(44,400)	(25,036)
	169,195	260,126	38,559
Less current portion	(132,095)	(250,126)	(23,595)
	<u>\$ 37,100</u>	<u>\$ 10,000</u>	<u>\$ 14,964</u>

The Company has not reflected a discount on its notes receivable issued with 0% interest as it would not be material. The Company reserves an allowance for doubtful collections. The provision for uncollectible amounts is continually reviewed and adjusted to maintain the allowance at a level considered adequate to cover future losses. The allowance is management's best estimate of uncollectible accounts and is determined by estimating the collectibility of each individual account balance on an ongoing basis.

**TAB BOARDS INTERNATIONAL, INC. AND SUBSIDIARY
DBA THE ALTERNATIVE BOARD**

Notes to Consolidated Financial Statements

Note 3 - Property and Equipment

Property and equipment consists of the following:

	December 31,		
	2015	2014	2013
Computer equipment and software	\$ 2,546,208	\$ 2,476,985	\$ 2,381,812
Furniture, fixtures, and equipment	242,144	238,526	238,526
Leasehold improvements	249,510	249,510	249,510
Media	58,278	58,278	58,278
Vehicles	-	33,665	33,665
	<u>3,096,140</u>	<u>3,056,964</u>	<u>2,961,791</u>
Less accumulated depreciation and amortization	<u>(2,753,267)</u>	<u>(2,649,010)</u>	<u>(2,488,425)</u>
	<u>\$ 342,873</u>	<u>\$ 407,954</u>	<u>\$ 473,366</u>

Depreciation expense for the years ended December 31, 2015, 2014, and 2013 was \$127,612, \$160,585, and \$184,257, respectively.

Note 4 - Intangible Assets

Intangible assets consist of the following:

	December 31,		
	2015	2014	2013
TIPS FROM THE TOP	\$ 37,000	\$ 37,000	\$ 37,000
TAB System	132,785	132,785	132,785
TAF	<u>257,859</u>	<u>257,859</u>	<u>257,859</u>
	427,644	427,644	427,644
Less accumulated amortization	<u>(185,948)</u>	<u>(151,309)</u>	<u>(116,671)</u>
	<u>\$ 241,696</u>	<u>\$ 276,335</u>	<u>\$ 310,973</u>

**TAB BOARDS INTERNATIONAL, INC. AND SUBSIDIARY
DBA THE ALTERNATIVE BOARD**

Notes to Consolidated Financial Statements

Note 4 - Intangible Assets (continued)

Amortization expense for the years ended December 31, 2015, 2014, and 2013 was \$34,639, \$34,638, and \$8,852, respectively. Future amortization expense is expected to be as follows:

Fiscal Year Ending December 31,

2016	\$	34,638
2017		34,638
2018		34,638
2019		34,638
2020		34,638
Thereafter		<u>68,506</u>
Total	\$	<u>241,696</u>

Note 5 - Line-of-Credit

The Company maintains a \$750,000 line-of-credit agreement with interest accrued at the Prime Rate (3.50% at December 31, 2015) and a maturity date of June 2016. The line-of-credit is collateralized by substantially all assets of the Company, guaranteed by the majority stockholder of the Company, and subject to certain financial covenants. There was no balance outstanding on the line-of-credit as of December 31, 2015.

Note 6 - Stockholders' Equity

Common Stock

A total of 1,000,000 shares of voting common stock and 5,000,000 shares of non-voting common stock are authorized. Both voting and non-voting common stock have the same rights of ownership, other than voting rights, and both have no par value.

Note 7 - Commitments

Operating Leases

The Company leases facilities, vehicles, and copiers under non-cancelable operating leases expiring at various dates through January 2020. The Company currently leases its headquarters from a related party. The lease is in effect through June 2017 and calls for monthly payments of \$13,400.

Lease expense related to facilities, vehicles, and copiers for the years ended December 31, 2015, 2014, and 2013 was \$197,317, \$182,490, and \$176,099, respectively. Related party lease expense for the years ended December 31, 2015, 2014, and 2013 was \$160,800, \$158,200, and \$156,900, respectively.

**TAB BOARDS INTERNATIONAL, INC. AND SUBSIDIARY
DBA THE ALTERNATIVE BOARD**

Notes to Consolidated Financial Statements

Note 7 - Commitments (continued)

Operating Leases (continued)

Future minimum lease payments under these leases are as follows:

<u>Year Ending December 31,</u>	<u>Related Party Leases</u>	<u>Other Leases</u>	<u>Total</u>
2016	\$ 160,800	\$ 36,355	\$ 197,155
2017	80,400	34,140	114,540
2018	-	23,199	23,199
2019	-	7,518	7,518
2020	-	536	536
	<u>\$ 241,200</u>	<u>\$ 101,748</u>	<u>\$ 342,948</u>

Note 8 - Related Party Transactions

Direct Communication Service, Inc. ("DCS") is a related party to the Company through common ownership. DCS sold the TAB business to the Company for \$1 and a royalty agreement. The Company entered into an amended agreement, which resulted in a one-time payment of \$132,785 and a \$4,000-per-month royalty. Royalties of \$48,000, \$48,000, and \$75,022 were paid under this agreement for the years ended December 31, 2015, 2014, and 2013, respectively.

Throughout 2015, 2014, and 2013, the Company advanced certain amounts to entities under common control, which are reported as accounts receivable, related party, on the accompanying consolidated balance sheets. As of December 31, 2015, 2014, and 2013, the Company maintained \$535,678, \$546,942, and \$381,227 in related party receivables, respectively, which are due and payable upon demand, and \$159,513, \$174,244, and \$259,762 as advances to stockholders as of December 31, 2015, 2014, and 2013, respectively.

Note 9 - 401(k) Plan

The Company maintains a 401(k) plan (the "Plan") for those employees who meet certain eligibility requirements set forth in the Plan. The Company may make a discretionary contribution to the Plan, and employees will vest in the Company's contributions based on a six-year vesting schedule. The Company did not elect to make matching contributions for 2015, 2014, and 2013.

**TAB BOARDS INTERNATIONAL, INC. AND SUBSIDIARY
DBA THE ALTERNATIVE BOARD**

Notes to Consolidated Financial Statements

Note 10 - Combined System-Wide and Franchisor Revenues (Unaudited)

The following table is a summary of total system-wide sales and franchisor revenue:

	December 31, (Unaudited)		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
System-wide franchise member dues and fees	\$ 15,176,062	\$ 15,256,339	\$ 15,383,478
Initial franchise and training fees	2,033,796	1,683,755	1,036,579
Marketing and other revenue	<u>849,211</u>	<u>849,063</u>	<u>714,237</u>
Total combined system-wide and franchisor revenues	<u>\$ 18,059,069</u>	<u>\$ 17,789,157</u>	<u>\$ 17,134,294</u>

Note 11 - Subsequent Events

The Company has evaluated all subsequent events through the auditors' report date, which is the date the consolidated financial statements were available for issuance.

**EXHIBIT J
TO THE FRANCHISE DISCLOSURE DOCUMENT**

STATE LAW ADDENDA AND RIDERS

CALIFORNIA

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

2. SECTION 31125 OF THE CALIFORNIA CORPORATIONS CODE REQUIRES US TO GIVE YOU A FRANCHISE 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.

3. OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT. ANY COMPLAINTS CONCERNING THE CONTENT OF THE WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT AT www.dbo.ca.gov.

4. THE FRANCHISE AGREEMENT CONTAINS PROVISIONS THAT LIMIT FRANCHISEE'S RIGHTS AND MAY NOT BE ENFORCEABLE IN CALIFORNIA INCLUDING BUT NOT LIMITED TO A TIME LIMIT TO RAISE CLAIMS AGAINST THE FRANCHISOR, LIMITATION OF DAMAGES AND WAIVER OF JURY TRIAL.

5. Item 3 of the Franchise Disclosure Document is amended to provide that neither the franchisor, nor any person in Item 2 of the Franchise Disclosure Document, is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in that association or exchange.

6. Item 6 of the Franchise Disclosure Document is amended to provide that the highest interest rate allowed in California is 10% per annum.

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

Any condition, stipulation or provision in the Agreement which would result in your waiver of compliance with any provision of the California Franchise Relations Act (Business and Professions Code Sections 20000 through 20043) (the "Act") is void to the extent that such provision violates the Act. If the Franchise Agreement contains a provision that is inconsistent with the Act, the Act will control.

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

You must sign a general release of claims 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 Act.

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

The Franchise Agreement requires binding arbitration. The arbitration will be conducted in Westminster, Colorado, where our headquarters are located, with the costs being borne as provided in the Franchise Agreement. You are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside of California.

The Franchise Agreement requires application of the laws of the Colorado. These provisions might not be enforceable under California law.

ILLINOIS

1. The “Summary” section of Item 17(v) of the Franchise Disclosure Document is amended to read as follows:

Litigation or arbitration will be in Illinois.

2. The “Summary” section of Item 17(w) of the Franchise Disclosure Document is amended to read as follows:

Except for federal law, Illinois law applies.

MARYLAND

1. The “Summary” sections of Items 17(c) and (m) of the Franchise Disclosure Document, captioned “Requirements for You to Renew or Extend” and “Conditions for Our Approval of Transfer,” are amended by adding the following:

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

2. The “Summary” section of Item 17(h) of the Franchise Disclosure Document, captioned “Cause’ Defined - Defaults Which Can Be Cured,” is amended by adding the following:

The Franchise Agreement provides for termination upon your insolvency. This provision might not be enforceable under federal bankruptcy law (11 U.S.C. Sections 101 et seq.), but we will enforce it to the extent enforceable.

3. The “Summary” section of Item 17(v) of the Franchise Disclosure Document, captioned “Choice of Forum,” is amended to read as follows:

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

4. The following is added to the end of the Item 17 chart:

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

MICHIGAN

THE FOLLOWING APPLIES ONLY TO TRANSACTIONS GOVERNED BY THE MICHIGAN FRANCHISE INVESTMENT LAW

THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN THESE FRANCHISE DOCUMENTS, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU.

- (a) A prohibition on the right of a Franchisee to join an association of Franchisees.
- (b) A requirement that a Franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a Franchisee of rights and protections provided in this act. This shall not preclude a Franchisee, after entering into a franchise agreement, from settling any and all claims.
- (c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the Franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than thirty 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 five 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 six months advance notice of franchisor's intent not to renew the franchise.
- (e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other Franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.
- (f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the Franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.
- (g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:
 - (i) The failure of the proposed Franchisee to meet the franchisor's then-current reasonable qualifications or standards.

(ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.

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

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

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

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

If the franchisor's most recent financial statements are unaudited and show a net worth of less than \$100,000.00, the franchisor shall, at the request of a Franchisee, arrange for the escrow of initial investment and other funds paid by the Franchisee until the obligations to provide real estate, improvements, equipment, inventory, training, or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of escrow.

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

Any questions regarding this notice should be directed to:

State of Michigan Consumer Protection Division
Attention: Franchise
670 G. Mennen Williams Building
525 West Ottawa
Lansing, Michigan 48933
Telephone: (517) 373-7117

Despite subparagraph (f) above, we intend to enforce fully the provisions of the arbitration section contained in our Franchise Agreement. We believe that subparagraph (f) is unconstitutional and cannot preclude us from enforcing our arbitration section. You acknowledge that we will seek to enforce this section as written.

MINNESOTA

1. The third paragraph after the chart in Item 14 is replaced with the following:

You must notify us immediately when you learn about an infringement of or challenge to your use of our Trademarks. We will indemnify you for any loss, costs, or expenses arising out

of any third party claim, suit or demand that our Trademarks infringe the trademark rights of a third party or cause unfair completion to a third party to the extent required by Minn. Stat. Sec. 80C.12, Subd.1 (g). We will control any administrative proceeding or litigation involving our Trademarks.

2. The following paragraphs are added at the end of the chart in Item 17:

With respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4, and 5 which require, except in certain specified cases, that you be given ninety days' notice of termination (with sixty days to cure) and one-hundred-eighty days' notice for non-renewal of the franchise agreement.

Pursuant to Minn. Stat. §80C.21 and Minn. Rule Part 2860.4400J, these sections shall not in any way abrogate or reduce your rights as provided in Minnesota Statutes 1984, Chapter 80C, including the right to submit matters to jurisdiction of the courts of Minnesota.

Any release as a condition of renewal and/or assignment/transfer will not apply to the extent prohibited by applicable law with respect to claims arising under Minn. Rule 2860.4400D.

Minnesota Rule Part 2860.4400J prohibits you from waiving your rights to a jury trial or waiving your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction, or consenting to liquidated damages, termination penalties or judgment notes.

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 A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, INVESTMENT PROTECTION BUREAU, 120 BROADWAY, 23RD FLOOR, NEW YORK, NEW YORK 10271.

THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE PROSPECTUS. 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 PROSPECTUS.

2. The following paragraphs are added at the beginning of Item 3 of the Franchise Disclosure Document:

Except as provided below, neither we, any predecessor, any person identified in Item 2, or an affiliate offering franchises under our principal trademark has an administrative, criminal, or civil action pending against us, it, him, or her alleging a felony, a violation of a franchise,

antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.

Neither we, any predecessor, any person identified in Item 2, nor an affiliate offering franchises under our principal trademark 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 been held liable in a civil action alleging violation of a franchise, antifraud, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable allegations.

Neither we, any predecessor, any person identified in Item 2, or an affiliate offering franchises under our principal trademark is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a federal, state, or Canadian franchise, securities, antitrust, trade regulation, or trade practice law, as a result of a concluded or pending action or proceeding brought by a public agency, is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange, or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following paragraph is added at the beginning of Item 4 of the Franchise Disclosure Document:

Neither we nor any of our affiliates, predecessors, officers, or general partners have, during the ten year period immediately preceding the date of the Franchise Disclosure Document (a) filed as debtor (or had filed against us, it, him, or her) a petition to start an action under the U.S. Bankruptcy Code, (b) obtained a discharge of our, its, his, or her debts under the U.S. Bankruptcy Code, or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against us, it, him, or her) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of our, its, his, or her debts under the U.S. Bankruptcy Code during or within one year after the officer or general partner of ours held this position in the company or partnership.

4. The “Summary” section of Item 17(d) of the Franchise Disclosure Document is amended by adding the following:

You also may terminate the Franchise Agreement on any grounds available by law.

5. The “Summary” section of Item 17(j) of the Franchise Disclosure Document is amended by adding the following:

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

6. The “Summary” sections of Items 17(c) and (m) of the Franchise Disclosure Document are amended by adding the following:

, provided, however, that all rights enjoyed by you and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New

York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of GBL Sections 687.4 and 687.5 be satisfied.

7. The “Summary” section of Item 17(s) of the Franchise Disclosure Document is amended by adding the following:

Modifications to the Operations Manual will not unreasonably affect your obligations, including economic requirements, under the Agreement.

8. The “Summary” sections of Items 17(v) and (w) of the Franchise Disclosure Document are amended by adding the following:

This choice of law and forum should not be considered a waiver of any right conferred upon you by Article 33 of the General Business Law of the State of New York.

NORTH DAKOTA

1. The “Summary” sections of Items 17(c) and 17(m) of the Franchise Disclosure Document are amended to add the following:

Any release executed will not apply, to the extent prohibited by applicable law, with respect to claims arising under the North Dakota Franchise Investment Law.

2. The “Summary” section of Item 17(r) of the Franchise Disclosure Document is amended to add the following:

Covenants not to compete such as those mentioned above generally are considered unenforceable in North Dakota. However, we will seek to enforce them to the extent enforceable.

3. The “Summary” section of Item 17(u) of the Franchise Disclosure Document is amended to read as follows:

Except for certain claims, we and you must arbitrate all disputes.

4. The “Summary” section of Item 17(v) of the Franchise Disclosure Document is amended to read as follows:

Subject to your arbitration obligation and to the extent required by the North Dakota Franchise Investment Law, you may bring an action in North Dakota.

5. The “Summary” section of Item 17(w) of the Franchise Disclosure Document is amended to read as follows:

Except for federal law, North Dakota law applies.

RHODE ISLAND

1. The “Summary” section of Item 17(v) of the Franchise Disclosure Document is amended to read as follows:

Subject to your arbitration obligation and to the extent required by applicable law, you may bring an action in Rhode Island for claims arising under the Rhode Island Franchise Investment Act.

2. The “Summary” section of Item 17(w) of the Franchise Disclosure Document is deleted in its entirety and replaced with the following:

Except for Federal Arbitration Act and other federal law, and except as required by the Rhode Island Franchise Investment Act, Colorado law governs.

WASHINGTON

The following paragraph is added at the end of Item 17 of the Franchise Disclosure Document:

If any of the provisions in this Franchise Disclosure Document and/or Franchise Agreement are inconsistent with the relationship provisions of Revised Code of Washington Section 19.100.180 or any other requirements of the Washington Franchise Investment Protection Act (the “Act”), then (if the Act applies by its terms) the provisions of the Act will prevail over the inconsistent terms of the Franchise Disclosure Document and/or Franchise Agreement.

VIRGINIA

The following is added to the end of the Item 17 chart:

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any ground for default or termination stated in the franchise agreement does not constitute “reasonable cause” as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

**THE FOLLOWING PAGES IN THIS EXHIBIT J ARE
STATE-SPECIFIC RIDERS TO THE FRANCHISE AGREEMENT**

**RIDER TO THE TAB BOARDS INTERNATIONAL, INC. FRANCHISE AGREEMENT
FOR USE IN ILLINOIS**

This Rider (the “**Rider**”) is effective this _____ day of _____, 20____, by and between TAB BOARDS INTERNATIONAL, INC., a Colorado corporation (“**TAB**”), and _____, whose principal business address is _____ (“**Franchisee**”).

1. **BACKGROUND.** TAB and Franchisee are parties to that certain Franchise Agreement dated _____, _____ that has been signed concurrently with the signing of this Rider (the “**Franchise Agreement**”). This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) the offer or sale of the franchise for the TAB business that Franchisee will operate under the Franchise Agreement was made in Illinois and the TAB business will be located in Illinois, and/or (b) Franchisee is a resident of Illinois.

2. **GOVERNING LAW.** The first two sentences of Section 15.5 of the Franchise Agreement are deleted in their entirety and replaced with the following:

Except to the extent governed by the Federal Arbitration Act (9 U.S.C. Sections 1 et seq.), the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.) or other federal law, all controversies, disputes or claims arising from or relating to or alleged to arise from or relate to:

- (a) This Agreement or any other agreement between Franchisee and TAB;
- (b) The relationship of TAB and Franchisee; or

(c) The validity of this Agreement or any other agreement between Franchisee and TAB will be governed by the laws of the State of Illinois as long as the jurisdictional requirements of those Illinois laws are met independently without reference to this Subsection. However, if Illinois law does not apply jurisdictionally, then disputes or claims arising from or relating to or alleged to arise from or relate to (a) through (c) above will be governed by the laws of Colorado, without regard to its conflict of laws principles, except that any Colorado law regulating the sale of franchises or governing the relationship of a franchisor and its franchisee will not apply unless its jurisdictional requirements are met independently without reference to this Subsection.

3. **WAIVER OF PUNITIVE DAMAGES AND JURY TRIAL.** The following language is added to the end of the second paragraph of Section 14.4 of the Franchise Agreement:

HOWEVER, THE WAIVER IN THIS SECOND PARAGRAPH SHALL NOT APPLY TO THE EXTENT PROHIBITED BY SECTION 705/41 OF THE ILLINOIS FRANCHISE DISCLOSURE ACT OF 1987 OR ILLINOIS REGULATIONS AT SECTION 200.609.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider effective on the date stated on the first page above.

FRANCHISEE:

a(n) _____

By: _____

Name: _____

TAB:

TAB BOARDS INTERNATIONAL, INC.,
a Colorado corporation

Jason P. Zickerman
President and Chief Executive Officer

Title: _____

**RIDER TO THE TAB BOARDS INTERNATIONAL, INC. FRANCHISE AGREEMENT
FOR USE IN MARYLAND**

This Rider (the “**Rider**”) is effective this _____ day of _____, 20____, by and between TAB BOARDS INTERNATIONAL, INC., a Colorado corporation (“**TAB**”) and _____, whose principal business address is _____ (“**Franchisee**”).

1. **BACKGROUND.** TAB and Franchisee are parties to that certain Franchise Agreement dated _____, _____ that has been signed concurrently with the signing of this Rider (the “**Franchise Agreement**”). This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) Franchisee is a resident of Maryland, and/or (b) Franchisee’s TAB business will be located or operated in Maryland.

2. **AGREEMENTS/RELEASES.** The following is added to the end of the Franchise Agreement:

Franchisee will be required to sign a release at the time of transfer, renewal or amendment of the Franchise Agreement. Notwithstanding any other provision of this Agreement, no release to be provided by Franchisee will apply to claims under the Maryland Franchise Registration and Disclosure Law.

3. **ACKNOWLEDGMENTS/WAIVER.** Section 20 of the Franchise Agreement and the Closing Acknowledgment are amended by adding the following:

Such representations and acknowledgments 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.

4. **TERMINATION BY TAB.** Section 10.3(j) of the Franchise Agreement is amended by adding the following:

Termination upon Franchisee’s insolvency might not be enforceable under federal bankruptcy law (11 U.S.C. Sections 101 et seq.), but TAB intends to enforce this provision to the extent enforceable.

5. **CONSENT TO JURISDICTION.** Section 14.2(b) 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.

6. **TIME FOR BRINGING ACTION.** Section 15.6 of the Franchise Agreement is amended by adding the following language:

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

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider effective on the date stated on the first page above.

FRANCHISEE:

a(n) _____

By: _____

Name: _____

Title: _____

TAB:

TAB BOARDS INTERNATIONAL, INC.,
a Colorado corporation

Jason P. Zickerman
President and Chief Executive Officer

**RIDER TO THE TAB BOARDS INTERNATIONAL, INC. FRANCHISE AGREEMENT
FOR USE IN MINNESOTA**

This Rider (the “**Rider**”) is effective this _____ day of _____, 20____, by and between TAB BOARDS INTERNATIONAL, INC., a Colorado corporation (“**TAB**”) and _____, whose principal business address is _____ (“**Franchisee**”).

1. **BACKGROUND.** TAB and Franchisee are parties to that certain Franchise Agreement dated _____, _____ that has been signed concurrently with the signing of this Rider (the “**Franchise Agreement**”). This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) the TAB business that Franchisee will operate under the Franchise Agreement will be located in Minnesota, and/or (b) any of the franchise offering or sales activity occurred in Minnesota.

2. **INDEMNIFICATION.** The following is added as a new Section 15.4:

15.4 **Indemnification by TAB.** TAB will indemnify Franchisee for any loss, costs, or expenses arising out of any third party claim, suit or demand that the Trademarks infringe the trademark rights of a third party or cause unfair completion to a third party to the extent required by Minn. Stat. Sec. 80C.12, Subd.1(g). TAB will control any administrative proceeding or litigation involving TAB’s Trademarks.

3. **RELEASES.** The following is added to the end of Section 17.6(b)(8) of the Franchise Agreement:

, notwithstanding any other provision of this Agreement, no release to be signed by Franchisee will apply to claims under the Minnesota Franchises Law.

4. **TERMINATION OF AGREEMENT.** The following language is added to the Franchise Agreement as new Section 17.11:

17.11 **Cure Period.** With respect to franchises governed by Minnesota law, TAB will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that a franchisee be given 90 days’ notice of termination (with sixty days to cure) and one-hundred-eighty days’ notice of non-renewal of the Franchise Agreement.

5. **GOVERNING LAW.** The following language is added to the end of Section 18.5 of the Franchise Agreement:

HOWEVER, NOTHING IN THIS AGREEMENT SHALL ABROGATE OR REDUCE ANY OF FRANCHISEE’S RIGHTS UNDER MINNESOTA STATUTES CHAPTER 80 CONCERNING YOUR RIGHT TO ANY PROCEDURE, FORUM OR REMEDIES THAT THE LAWS OF THE JURISDICTION PROVIDE. WITH RESPECT TO FRANCHISES GOVERNED BY MINNESOTA LAW, TAB WILL COMPLY WITH MINN. STAT. SEC. 80C.14, SUBDS. 3, 4, AND 5 WHICH REQUIRE, EXCEPT IN CERTAIN SPECIFIED CASES, THAT A FRANCHISEE BE GIVEN NINETY DAYS’ NOTICE OF TERMINATION (WITH SIXTY DAYS TO CURE) AND ONE-HUNDRED-EIGHTY DAYS’ NOTICE OF NON-RENEWAL OF THE FRANCHISE AGREEMENT.

6. WAIVER OF JURY TRIAL. If and then only to the extent required by the Minnesota Franchises Law, the second paragraph of Section 21.8 of the Franchise Agreement is deleted.

IN WITNESS WHEREOF, the parties have executed and delivered this Rider effective on the date stated on the first page above.

FRANCHISEE:

a(n) _____

By: _____

Name: _____

Title: _____

TAB:

TAB BOARDS INTERNATIONAL, INC.,
a Colorado corporation

Jason P. Zickerman
President and Chief Executive Officer

**RIDER TO THE TAB BOARDS INTERNATIONAL, INC. FRANCHISE AGREEMENT
FOR USE IN NEW YORK**

This Rider (the “**Rider**”) is effective this _____ day of _____, 20____, by and between TAB BOARDS INTERNATIONAL, INC., a Colorado corporation (“**TAB**”) and _____, whose principal business address is _____ (“**Franchisee**”).

1. **BACKGROUND.** TAB and Franchisee are parties to that certain Franchise Agreement dated _____, _____ that has been signed concurrently with the signing of this Rider (the “**Franchise Agreement**”). This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) the offer or sale of the franchise for the TAB business that Franchisee will operate under the Franchise Agreement was made in New York, and/or (b) Franchisee are a resident of New York and will operate the TAB business in New York.

2. **TRANSFER BY TAB.** Section 16.1 of the Franchise Agreement is amended by adding the following language at the end of the paragraph:

However, to the extent required by applicable law, no assignment will be made except to an assignee who, in TAB’s good faith judgment, is willing and able to assume TAB’s obligations under this Agreement.

3. **RELEASES.** The following is added to the end of the Franchise Agreement:

, notwithstanding any other provisions of this Agreement, all rights Franchisee enjoys and any causes of action arising in Franchisee’s favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force, it being the intent of this proviso that the non-waiver provisions of GBL 687 and 687.5 be satisfied.

4. **TERMINATION OF AGREEMENT BY FRANCHISEE.** Section 17 of the Franchise Agreement is amended by adding the following as Section 17.11:

Franchisee also may terminate this Agreement on any grounds available by law under the provisions of Article 33 of the General Business Law of the State of New York.

5. **GOVERNING LAW.** Section 18.5 of the Franchise Agreement is amended by adding the following language:

; NOTWITHSTANDING THE FOREGOING, THE GOVERNING CHOICE OF LAW SHALL NOT BE CONSIDERED A WAIVER OF ANY RIGHT CONFERRED UPON FRANCHISEE BY THE PROVISIONS OF ARTICLE 33 OF THE GENERAL BUSINESS LAW OF THE STATE OF NEW YORK.

6. **BINDING EFFECT.** Section 6.4(b) of the Franchise Agreement is amended by adding the following language:

Modifications to the Operations Manual will not unreasonably affect Franchisee’s obligations, including economic requirements, under this Agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider effective on the date stated on the first page above.

FRANCHISEE:

a(n) _____

By: _____

Name: _____

Title: _____

TAB:

TAB BOARDS INTERNATIONAL, INC.,
a Colorado corporation

Jason P. Zickerman
President and Chief Executive Officer

**RIDER TO THE TAB BOARDS INTERNATIONAL, INC. FRANCHISE AGREEMENT
FOR USE IN NORTH DAKOTA**

This Rider (the “**Rider**”) is effective this _____ day of _____, 20____, by and between TAB BOARDS INTERNATIONAL, INC., a Colorado corporation (“**TAB**”) and _____, whose principal business address is _____ (“**Franchisee**”).

1. **BACKGROUND.** TAB and Franchisee are parties to that certain Franchise Agreement dated _____, _____ that has been signed concurrently with the signing of this Rider (the “**Franchise Agreement**”). This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) Franchisee is a resident of North Dakota and the TAB business that Franchisee will operate under the Franchise Agreement will be located or operated in North Dakota, and/or (b) any of the franchise offering or sales activity occurred in North Dakota.

2. **RELEASES.** The following is added to the end of the Franchise Agreement:

Any release required as a condition of renewal and/or assignment/transfer will not apply to the extent prohibited by the North Dakota Franchise Investment Law.

3. **COVENANT NOT TO COMPETE.** Section 14.2(d) of the Franchise Agreement is amended by adding the following:

Covenants not to compete such as those mentioned above are generally considered unenforceable in North Dakota. However, Franchisee acknowledges and agrees that TAB intends to seek enforcement of these provisions to the extent allowed under the law.

4. **ARBITRATION.** Section 18.2 of the Franchise Agreement is amended to add the following:

To the extent required by North Dakota Franchise Investment Law (unless such a requirement is preempted by the Federal Arbitration Act), arbitration proceedings will be held at a site to which TAB and Franchisee agree.

5. **GOVERNING LAW.** The first two sentences of Section 18.5 of the Franchise Agreement are deleted in their entirety and replaced as follows:

ALL MATTERS RELATING TO ARBITRATION WILL BE GOVERNED BY THE FEDERAL ARBITRATION ACT (9 U.S.C. §§ 1 ET SEQ.). EXCEPT TO THE EXTENT GOVERNED BY THE FEDERAL ARBITRATION ACT, THE UNITED STATES TRADEMARK ACT OF 1946 (LANHAM ACT, 15 U.S.C. SECTIONS 1051 ET SEQ.), OR OTHER FEDERAL LAW, AND EXCEPT AS OTHERWISE REQUIRED BY NORTH DAKOTA LAW, THIS AGREEMENT, THE FRANCHISE, AND ALL CLAIMS ARISING FROM THE RELATIONSHIP BETWEEN TAB AND FRANCHISEE WILL BE GOVERNED BY THE LAWS OF COLORADO, EXCEPT THAT ANY COLORADO LAW REGULATING THE SALE OF FRANCHISES OR GOVERNING THE RELATIONSHIP OF A FRANCHISOR AND ITS FRANCHISEE WILL NOT APPLY UNLESS ITS JURISDICTIONAL REQUIREMENTS ARE MET INDEPENDENTLY WITHOUT REFERENCE TO THIS PARAGRAPH.

6. WAIVER OF PUNITIVE DAMAGES AND JURY TRIAL. To the extent required by the North Dakota Franchise Investment Law, Section 21.8 of the Franchise Agreement is deleted.

IN WITNESS WHEREOF, the parties have executed and delivered this Rider effective on the date stated on the first page above.

FRANCHISEE:

a(n) _____

By: _____

Name: _____

Title: _____

TAB:

TAB BOARDS INTERNATIONAL, INC.,
a Colorado corporation

Jason P. Zickerman
President and Chief Executive Officer

**RIDER TO THE TAB BOARDS INTERNATIONAL, INC. FRANCHISE AGREEMENT
FOR USE IN RHODE ISLAND**

This Rider (the “**Rider**”) is effective this _____ day of _____, 20____, by and between TAB BOARDS INTERNATIONAL, INC., a Colorado corporation (“**TAB**”) and _____, whose principal business address is _____ (“**Franchisee**”).

1. **BACKGROUND.** TAB and Franchisee are parties to that certain Franchise Agreement dated _____, _____ that has been signed concurrently with the signing of this Rider (the “**Franchise Agreement**”). This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) the offer or sale of the franchise for the TAB business that Franchisee will operate under the Franchise Agreement was made in Rhode Island, and/or (b) Franchisee is a resident of Rhode Island and will operate the TAB business in Rhode Island.

2. **GOVERNING LAW.** The first two sentences of Section 15.5 of the Franchise Agreement are deleted in their entirety and replaced with the following:

ALL MATTERS RELATING TO ARBITRATION WILL BE GOVERNED BY THE FEDERAL ARBITRATION ACT (9 U.S.C. §§ 1 ET SEQ.). EXCEPT TO THE EXTENT GOVERNED BY THE FEDERAL ARBITRATION ACT, THE UNITED STATES TRADEMARK ACT OF 1946 (LANHAM ACT, 15 U.S.C. SECTIONS 1051 ET SEQ.) OR OTHER FEDERAL LAW, AND EXCEPT AS OTHERWISE REQUIRED BY APPLICABLE LAW WITH RESPECT TO CLAIMS ARISING UNDER THE RHODE ISLAND FRANCHISE INVESTMENT ACT, THIS AGREEMENT, THE FRANCHISE, AND ALL CLAIMS ARISING FROM THE RELATIONSHIP BETWEEN TAB AND FRANCHISEE WILL BE GOVERNED BY THE LAWS OF COLORADO, WITHOUT REGARD TO ITS CONFLICT OF LAWS RULES, EXCEPT THAT: (1) ANY COLORADO LAW REGULATING THE SALE OF FRANCHISES OR GOVERNING THE RELATIONSHIP OF A FRANCHISOR AND ITS FRANCHISEE WILL NOT APPLY UNLESS ITS JURISDICTIONAL REQUIREMENTS ARE MET INDEPENDENTLY WITHOUT REFERENCE TO THIS PARAGRAPH; AND (2) TO THE EXTENT REQUIRED BY APPLICABLE LAW, RHODE ISLAND LAW WILL APPLY TO CLAIMS ARISING UNDER THE RHODE ISLAND FRANCHISE INVESTMENT ACT.

IN WITNESS WHEREOF, the parties have executed and delivered this Rider effective on the date stated on the first page above.

FRANCHISEE:

a(n) _____

TAB:

TAB BOARDS INTERNATIONAL, INC.,
a Colorado corporation

By: _____

Name: _____

Title: _____

Jason P. Zickerman
President and Chief Executive Officer

**RIDER TO THE TAB BOARDS INTERNATIONAL, INC. FRANCHISE AGREEMENT
FOR USE IN WASHINGTON**

This Rider (the “**Rider**”) is effective this _____ day of _____, 20____, by and between TAB BOARDS INTERNATIONAL, INC., a Colorado corporation (“**TAB**”) and _____, whose principal business address is _____ (“**Franchisee**”).

1. **BACKGROUND.** TAB and Franchisee are parties to that certain Franchise Agreement dated _____, _____ that has been signed concurrently with the signing of this Rider (the “**Franchise Agreement**”). This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) the offer or sale of the franchise for the TAB business that Franchisee will operate under the Franchise Agreement was made in Washington, (b) Franchisee is a resident of Washington, and/or (c) the TAB business will be located or operated in Washington.

2. **ADDITION OF PARAGRAPHS.** The following paragraphs are added to the end of the Franchise Agreement:

In recognition of the requirements of the Washington Franchise Investment Protection Act (the “**Act**”) and the rules and regulations promulgated thereunder, the Franchise Agreement of TAB Boards International, Inc. shall be modified as follows:

Washington has a statute, RCW 19.100.180, which might supersede the Agreement in Franchisee’s relationship with TAB, including the areas of termination and renewal of Franchisee’s franchise. There also might be court decisions which supersede the Agreement in Franchisee’s relationship with TAB, including the areas of termination and renewal of Franchisee’s franchise.

In any arbitration involving a franchise purchased in Washington, the arbitration site shall be, but only if required by the Act (unless such requirement is preempted by the Federal Arbitration Act), in Washington, or in a place mutually agreed upon by the parties at the time of the arbitration, or as determined by the arbitrator.

In the event of a conflict of laws, to the extent required by the Act, the provisions of the Act shall prevail.

To the extent required by the Act, a release or waiver of rights executed by a franchisee shall not include rights under the 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, might not be enforceable.

Transfer fees might be collectable only to the extent that they reflect TAB’s reasonable estimate or actual costs in effecting a transfer.

The undersigned does hereby acknowledge receipt of this Rider.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider effective on the date stated on the first page above.

FRANCHISEE:

a(n) _____

By: _____

Name: _____

Title: _____

TAB:

TAB BOARDS INTERNATIONAL, INC.,
a Colorado corporation

Jason P. Zickerman
President and Chief Executive Officer

NEW YORK REPRESENTATIONS PAGE

THE FRANCHISOR REPRESENTS THAT THIS PROSPECTUS DOES NOT KNOWINGLY OMIT ANY MATERIAL FACT OR CONTAIN ANY UNTRUE STATEMENT OF A MATERIAL FACT.

**EXHIBIT K
TO THE FRANCHISE DISCLOSURE DOCUMENT**

**TAB BOARDS INTERNATIONAL, INC.
GRANT OF FRANCHISOR CONSENT AND FRANCHISEE RELEASE
FOR USE IN MARYLAND**

TAB BOARDS INTERNATIONAL, INC. (“**TAB**”) and the undersigned Franchisee, _____ (“**Franchisee**”), currently are parties to a certain Franchise Agreement (“**Franchise Agreement**”) dated _____. Franchisee has asked **TAB** to take the following action or to agree to the following request: [insert as appropriate for renewal or transfer situation]

TAB has the right under the Franchise Agreement to obtain a general release from Franchisee (and, if applicable, Franchisee’s owners) as a condition of taking this action or agreeing to this request. Therefore, **TAB** is willing to take the action or agree to the request specified above if Franchisee (and, if applicable, Franchisee’s owners) give **TAB** the release and covenant not to sue provided below in this document. Franchisee (and, if applicable, Franchisee’s owners) are willing to give **TAB** the release and covenant not to sue provided below as partial consideration for **TAB**’s willingness to take the action or agree to the request described above.

Consistent with the previous introduction, Franchisee, on Franchisee’s own behalf and on behalf of Franchisee’s successors, heirs, executors, administrators, personal representatives, agents, assigns, owners, shareholders, members, directors, officers, principals, employees, and affiliated entities (collectively, the “**Releasing Parties**”), hereby forever release and discharge **TAB** and its affiliates and the current and former shareholders, members, officers, directors, principals, employees, agents, representatives, successors, and assigns of **TAB** and its affiliates (collectively, the “**TAB Parties**”) from any and all claims, damages (known and unknown), demands, causes of action, suits, duties, liabilities, and agreements of any nature and kind (collectively, “**Claims**”) that Franchisee and any of the other Releasing Parties now has, ever had, or, but for this document, hereafter would or could have against any of the **TAB Parties** (1) arising out of or related to the **TAB Parties**’ obligations under the Franchise Agreement or (2) otherwise arising from or related to Franchisee’s and the other Releasing Parties’ relationship, from the beginning of time to the date of Franchisee’s signature below, with any of the **TAB Parties**. Franchisee, on Franchisee’s own behalf and on behalf of the other Releasing Parties, further covenant not to sue any of the **TAB Parties** on any of the **Claims** released by this paragraph and represent that Franchisee has not assigned any of the **Claims** released by this paragraph to any individual or entity who is not bound by this paragraph. Notwithstanding anything herein to the contrary, **TAB** also is entitled to a release and covenant not to sue from Franchisee’s owners. By his, her, or their separate signatures below, Franchisee’s transferring owners likewise grant to **TAB** the release and covenant not to sue provided above.

**The following language applies only to transactions governed by the Maryland
Franchise Registration and Disclosure Law**

The release provided above will not apply to the extent prohibited by the Maryland Franchise Registration and Disclosure Law. Franchisee may commence a lawsuit against **TAB** in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law that are not released.

FRANCHISEE:

a(n) _____

By: _____

Name: _____

Title: _____

FRANCHISEE'S OWNERS:

TAB:

TAB BOARDS INTERNATIONAL, INC.,
a Colorado corporation

Jason P. Zickerman
President and Chief Executive Officer

EXHIBIT L
TO THE FRANCHISE DISCLOSURE DOCUMENT
SATELLITE SITE SERVICE AUTHORIZATION

This SATELLITE SITE SERVICE AUTHORIZATION (the “**Agreement**”) is entered into by and between TAB BOARDS INTERNATIONAL, INC., a Colorado corporation (“**TAB**”) and the undersigned franchisee (“**Franchisee**”). TAB and Franchisee will collectively be referred to herein as the “**Parties.**”

WHEREAS, the Parties have entered into a franchise or independent associate agreement which is in effect (the “**Franchise Agreement**”), and the Parties desire that TAB provide to Franchisee a TAB satellite Internet website (the “**Satellite Service**”), and that TAB collect associated fees for such service from Franchisee’s credit card.

THEREFORE, in consideration of the terms and conditions hereinafter set forth, and other good and valuable consideration, the Parties agree as follows:

1. Term and Termination. This Agreement will be effective when signed by Franchisee and received by TAB. This Agreement will expire simultaneously with the expiration or termination of the Franchise Agreement. Franchisee may terminate this Agreement at any time for any reason by providing TAB at least thirty days prior written notice. Should Franchisee default in the performance of this Agreement or materially breach any of its provisions, TAB, at its option, may immediately terminate this Agreement by giving Franchisee written notification of the same. TAB may at its discretion discontinue offering the Satellite Service at any time. Notwithstanding any other provisions of this Agreement, this Agreement shall terminate automatically if TAB no longer offers the Satellite Service or upon the occurrence of any of the following events:

- (a) Bankruptcy or insolvency of either party;
- (b) Sale or transfer of the business by either party; or
- (c) Death or dissolution of either party.

2. Satellite Site. TAB will provide the Satellite Service which includes a website with The Alternative Board® approved brand identity design template (the “**Satellite Site**”), TAB corporate-office managed member promotional content, and professional and easy-to-use functionality allowing Franchisee to customize its Internet presence.

3. TAB and Franchisee Content and Data. Franchisee’s Satellite Site will consist of two forms of data: TAB corporate content data and Franchisee data. TAB corporate content data is leased to Franchisee and pushed out to Franchisee’s Satellite Site on a regular basis. Franchisee does not have an ownership interest in any TAB corporate content data. TAB corporate content data is copyrighted and owned by TAB and may not be copied or used in any form by Franchisee other than its display within Franchisee’s Satellite Site as described in this Agreement, and cannot be modified or edited by Franchisee in any manner. All TAB corporate content data is hereby included in and governed by Franchisee’s non-disclosure and/or confidentiality agreement with TAB. Franchisee data is all data that Franchisee is allowed to and does upload to its Satellite Site, and can be edited and modified only by Franchisee. If Franchisee is a natural person and uses a title, it must clearly relate to the position Franchisee holds with Franchisee’s business entity, and not with TAB. Franchisee bears sole responsibility for the content of Franchisee data, including its compliance with all laws.

4. Title, Rights and URLs. TAB owns all the rights, title, and interest in and to the Satellite Site, including all software, website designs, and related technology, but excepting Franchisee data. Franchisee will not use the Satellite Site except in accordance with this Agreement and its Franchise Agreement, and will not have the right to sublicense or sell this technology to a third party. Upon termination of this Agreement, Franchisee will have no rights relating to the Satellite Site, or any other TAB product or proprietary information, including but not limited to, TAB trademarks and copyrights except to the extent granted in the Franchise Agreement between Franchisee and TAB. Any TAB-related URL used in connection with Franchisee's Satellite Site that contains any of TAB's trademarks must be owned by TAB and are licensed to Franchisee pursuant to the Franchise Agreement. Upon termination of the Franchise Agreement or this Agreement, TAB will be the sole owner of any such TAB-related URL with Franchisee retaining no interest whatsoever in such URL, except to the extent granted to Franchisee in the Franchise Agreement between Franchisee and TAB. No URL may be used in connection with the Satellite Site without the express approval of TAB, which TAB may grant or withhold in its judgment. Franchisee will identify its requested website URL below.

5. System Availability. After launch of the Satellite Site, TAB will use commercially reasonable efforts to ensure the continuous availability of the system, provided that, from time to time, reasonable downtime will be scheduled by TAB to accomplish maintenance or improvements. In the event of scheduled or unscheduled downtime, TAB will not be liable whatsoever for any expenses, losses or damages incurred by Franchisee.

6. Disclaimer of Warranty. EXCEPT AS EXPRESSLY STATED IN THIS AGREEMENT, TAB MAKES NO WARRANTIES, WHETHER EXPRESS, IMPLIED OR STATUTORY, INCLUDING WITHOUT LIMITATION ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE. TAB SPECIFICALLY DOES NOT GUARANTEE THE SECURITY OF ANY FRANCHISEE DATA CONTAINED WITHIN THE SATELLITE SITE. Franchisee acknowledges that errors in the Satellite Site will not necessarily be corrected, although TAB will make reasonable efforts to do so, and that TAB cannot, due to interdependencies on hardware and software products, warrant that defects in the Satellite Site can or will be corrected.

7. Fees and Payment. Franchisee agrees to pay the fees set forth in the fee schedule attached as Exhibit A to this Agreement. Franchisee agrees that TAB will charge Franchisee's credit card pursuant to a credit card authorization executed by Franchisee, in the form attached as Exhibit B to this Agreement, on or about the 23rd of each month, or make a deduction to Franchisee's monthly statement for the following month pursuant to Franchisee's election below. From time to time, TAB may change its pricing or pricing policies. If TAB increases any pricing, TAB will notify Franchisee at least forty-five days in advance of such price increase. In no event will price increases occur more than once annually.

8. General Provisions. Notices may be provided by U.S. mail, courier, facsimile or email. The Agreement will be governed by Colorado law; any action relating to this Agreement will be brought in Denver, Colorado. TAB will not be liable for any special, indirect, punitive, incidental or consequential damages resulting from use of the Satellite Site. In no event will TAB's liability in connection with this Agreement, whether in contract, tort or otherwise, exceed the fees paid to TAB by Franchisee under this Agreement. Franchisee agrees to indemnify TAB for all actual and consequential damages resulting from Franchisee's use of the Satellite Site. Regarding the subject matter of this Agreement, this Agreement constitutes the entire agreement by the Parties, and is intended as an integration of any discussions or understandings between the Parties. Any and all prior agreements between the Parties relating to a satellite website shall be deemed void and cancelled.

Franchisee authorizes payment by the following method:

- Credit card
- Deduction from monthly statement

Franchisee's requested website URL (if known): _____

IN WITNESS WHEREOF, the undersigned parties hereto have duly executed this Agreement as of the date that TAB accepts this Agreement.

FRANCHISEE:

a(n) _____

By: _____

Name: _____

Title: _____

TAB:

TAB BOARDS INTERNATIONAL, INC.,
a Colorado corporation

Jason P. Zickerman
President and Chief Executive Officer

**EXHIBIT A
TO SATELLITE SITE SERVICE AUTHORIZATION**

FEE SCHEDULE

Satellite Site Setup Fee; one time only; due upon signing of this Agreement	\$288.00
Technology Fee	\$22.00

**EXHIBIT M
TO THE FRANCHISE DISCLOSURE DOCUMENT**

**TAB BOARDS INTERNATIONAL, INC.
OPTIONAL FRANCHISE FEE ADDENDUM TO FRANCHISE AGREEMENT**

This TAB Boards International, Inc. Optional Franchise Fee Addendum to Franchise Agreement (the “**Addendum**”) is effective _____, 20____ (“**Effective Date**”), and made by and between TAB BOARDS INTERNATIONAL, INC., a Colorado corporation with a principal place of business at 11031 Sheridan Boulevard, Westminster, Colorado 80020 (“**Franchisor**”), and _____ (“**Franchisee**”). Franchisor and Franchisee will sometimes be referred to individually as a “**Party**,” and collectively as the “**Parties**.”

RECITALS

WHEREAS, Franchisor and Franchisee entered into that certain Franchise Agreement dated _____, 20____ (the “**Franchise Agreement**”), pursuant to which Franchisee will operate a TAB business as defined in the Franchise Agreement;

WHEREAS, Franchisor and Franchisee desire to amend the terms of the Franchise Agreement by incorporating the terms of this Addendum into the Franchise Agreement; and

WHEREAS, all capitalized references not defined herein will have the same meanings as set forth in the Franchise Agreement.

NOW, THEREFORE, in consideration of the terms and conditions hereinafter set forth, and other good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, agree as follows:

AGREEMENT

1. PAYMENTS TO TAB OR THIRD PARTIES. Section 5.1(a), Initial Franchise Fee, is deleted in its entirety and replaced as follows:

(a) **Option Fee.** An Option Fee in the amount of \$9,450.00.

2. PAYMENTS TO TAB OR THIRD PARTIES. Section 5.2(a), Royalty Fee, is deleted in its entirety and replaced as follows:

(a) **Royalty Fee.** During the first nine months after Franchisee’s Start of Business Operations, Franchisee will pay TAB a monthly Royalty Fee in the amount below from the annual Gross Revenue from the TAB Opportunity (the “**Royalty Fee**”) as follows:

GROSS REVENUE FROM THE TAB OPPORTUNITY	ROYALTY FEE
\$1.00.00 to \$100,000.00	50%
\$100,001.00 to \$200,000.00	40%
\$200,001 and greater	35%

Beginning on the tenth month after Franchisee's Start of Business Operations, Franchisee will pay TAB a monthly fee in the amount of the GREATER of the Royalty Fee above or the monthly Minimum Royalty Fee as follows:

MONTHS FROM YOUR START OF BUSINESS OPERATIONS	MONTHLY MINIMUM ROYALTY FEE
10 to 14	\$450.00
14 to 18	\$900.00
19 to 24	\$1,350.00
25 and remainder of the Initial Term	\$1,800.00

Franchisee will not pay the Royalty Fee on revenue generated from providing business consulting services to TAB Members or non-TAB Members (provided that the business consulting services do not include tools and programs introduced, developed or promoted by TAB). If Franchisee purchases an ongoing TAB Business from a franchisee (a transferor), Franchisee will pay TAB monthly the fee that is the GREATER of the Royalty Fee above or the monthly Minimum Royalty Fee in the amount of \$1,800.00 beginning the first month of Franchisee's Start of Business Operations. Notwithstanding anything herein to the contrary, Franchisee will not pay a royalty on Business Assessments Fee in addition to the amount paid in Section 5.2(u).

3. **CONVERSION.** If Franchisee is not in default of the Franchise Agreement and Franchisee has generated at least \$50,000.00 in Gross Revenue from the TAB Opportunity, Franchisee may reduce the Royalty Fee (if lower Royalty Fee is available through TAB's MM TAB Business Franchise or NMM TAB Business Franchise) by (i) paying TAB the difference between the then-current Initial Franchise Fee charged by TAB at the time Franchisee elects to reduce the Royalty Fee and the Option Fee paid pursuant to Section 5.1(a), and (ii) signing TAB's then-current Conversion Amendment to Franchise Agreement.

4. **NO COERCION.** The Parties acknowledge that they are freely and voluntarily entering into this Addendum, uncoerced by any person, and that they have been advised and afforded the opportunity to seek the advice of legal counsel of their choice with regard to this Addendum.

5. **ADDENDUM BINDING.** This Addendum will be binding upon and inure to the benefit of each Party and to each Party's respective successors and assigns. If an inconsistency between a provision of the Franchise Agreement and a provision of this Addendum occurs, the provision of this Addendum will govern. The Franchise Agreement, as amended hereby, is ratified and continues in full force and effect.

6. **NO FURTHER CHANGES.** Except as specifically provided in this Addendum, all of the terms, conditions and provisions of the Franchise Agreement will remain in full force and effect as originally written and signed.

7. **COUNTERPART/FACSIMILE.** This Addendum may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument. This Addendum shall become effective when one or more counterparts have been signed by each of the Parties and delivered to the other Party. Facsimile signatures and faxed transmissions executed shall have the same full force and effect as originally executed documents.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, Franchisee and Franchisor have duly executed this TAB Boards International, Inc. Optional Franchise Fee Addendum to Franchise Agreement as of the date first above written.

FRANCHISEE:

a(n) _____

By: _____

Name: _____

Title: _____

FRANCHISOR:

TAB BOARDS INTERNATIONAL, INC.,
a Colorado corporation

Jason P. Zickerman
President and Chief Executive Officer

EXHIBIT N
TO FRANCHISE DISCLOSURE DOCUMENT

RECEIPT (Franchisee)

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

If TAB Boards International, Inc. offers you a franchise, it must provide this Franchise Disclosure Document to you fourteen 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. However, some state franchise laws require TAB Boards International, Inc. to provide this Franchise Disclosure Document to you at the first personal meeting held to discuss the franchise sale or at least ten business days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale (Iowa, New York, Oklahoma, Rhode Island, Michigan, and Washington).

If TAB Boards International, Inc. does not deliver this Franchise Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified on Exhibit A.

The name, principal business address, and telephone number of each franchise seller offering the franchise are Jason P. Zickerman, 11031 Sheridan Boulevard, Westminster, CO, (303) 839-1200 and as follows: _____

Issuance Date: March 24, 2016.

I have received a Franchise Disclosure Document dated March 24, 2016, that included the following Exhibits:

- A. List of State Agencies/Agents for Service of Process
- B. Franchise Agreement
- B-I. Addendum to Franchise Agreement
- B-II. Statement of Ownership
- B-III. Guaranty and Assumption of Franchisee's Obligations
- B-IV. Non-Disclosure and Non-Competition Agreement
- B-V. Conditional Assignment of Telephone and Directory Listings, Etc.
- B-VI. Closing Acknowledgment
- B-VII. State Law Rider
- B-VIII. Trademarks
- C. Marketing Support Agreement
- D. Field Support Training Services Agreement
- E. CRM System Use Agreement
- F. Operations Manual Table of Contents
- G. List of Franchisees
- H. Franchisees Who Have Left the System
- I. Audited Financial Statements
- J. State Law Addenda and Riders
- K. Grant of Franchisor Consent and Franchisee Release for Use in Maryland
- L. Satellite Site Service Authorization Agreement
- M. TAB Boards International, Inc. Optional Franchise Fee Addendum
- N. Receipt

Date

Prospective Franchisee

Print Name

**EXHIBIT N
TO FRANCHISE DISCLOSURE DOCUMENT**

RECEIPT (TAB)

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

If TAB Boards International, Inc. offers you a franchise, it must provide this Franchise Disclosure Document to you fourteen 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. However, some state franchise laws require TAB Boards International, Inc. to provide this Franchise Disclosure Document to you at the first personal meeting held to discuss the franchise sale or at least ten business days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale (Iowa, New York, Oklahoma, Rhode Island, Michigan, and Washington).

If TAB Boards International, Inc. does not deliver this Franchise Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified on Exhibit A.

The name, principal business address, and telephone number of each franchise seller offering the franchise are Jason P. Zickerman, 11031 Sheridan Boulevard, Westminster, CO 80020, (303) 839-1200 and as follows: _____

Issuance Date: March 18, 2016.

I have received a Franchise Disclosure Document dated March 18, 2016, that included the following Exhibits:

- A. List of State Agencies/Agents for Service of Process
- B. Franchise Agreement
- B-I. Addendum to Franchise Agreement
- B-II. Statement of Ownership
- B III. Guaranty and Assumption of Franchisee's Obligations
- B IV. Non-Disclosure and Non-Competition Agreement
- B-V. Conditional Assignment of Telephone and Directory Listings, Etc.
- B-VI. Closing Acknowledgment
- B-VII. State Law Rider
- B-VIII. Trademarks
- C. Marketing Support Agreement
- D. Field Support Training Services Agreement
- E. CRM System Use Agreement
- F. Operations Manual Table of Contents
- G. List of Franchisees
- H. Franchisees Who Have Left the System
- I. Audited Financial Statements
- J. State Law Addenda and Riders
- K. Grant of Franchisor Consent and Franchisee Release for Use in Maryland
- L. Satellite Site Service Authorization Agreement
- M. TAB Boards International, Inc. Optional Franchise Fee Addendum
- N. Receipt

Date

Prospective Franchisee

Print Name