

Special Risks to Consider About *This Franchise*

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Florida. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Florida than in your own state.
2. **Mandatory Minimum Payments.** You must make minimum royalty or advertising fund payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.
3. **Short Operating History.** The franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.
- 2.4. **Unregistered Trademark.** The primary trademark that you will use in your business is not federally registered. If the franchisor's right to use this trademark in your area is challenged, you may have to identify your business and its products or services with a name that differs from that used by other franchisees or the franchisor. This change can be expensive and may reduce brand recognition of the products or services you offer.
- ~~3. 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.~~

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

~~DISCLOSURES REQUIRED BY CONNECTICUT LAW~~

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

~~DISCLOSURES REQUIRED BY NORTH CAROLINA LAW~~

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

~~DISCLOSURES REQUIRED BY SOUTH CAROLINA LAW~~

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

ATTACHED EXHIBITS

Exhibit A	Franchise Agreement and Applicable Addenda
Exhibit B	Deposit Receipt
Exhibit C	Multi-Unit Development Agreement and Applicable Addenda
Exhibit D	Financial Statements
<u>Exhibit D-1</u>	<u>Financial Statements of Guarantor and Guaranty of Performance</u>
Exhibit E	List of Current and Former Franchisees
Exhibit F	Operating Manual Table of Contents
Exhibit G	State Administrators and Agents for Service of Process
Exhibit H	General Release Agreement
Exhibit I	Compliance Certification
Exhibit J	Confidentiality and Nondisclosure Agreement
Exhibit K	State Addenda to Disclosure Document
Exhibit L	State Effective Dates
Exhibit M	Disclosure Document Receipts

Except as provided above, no litigation is required to be disclosed in this Item.

ITEM 4 BANKRUPTCY

No bankruptcies must be disclosed in this Item.

ITEM 5 INITIAL FEES

Franchise Deposit

Prior to executing the Franchise Agreement, you will be required to pay a \$9,500 deposit (the “Franchise Deposit”) upon signing a Deposit Receipt, a copy of which is attached to this disclosure document as Exhibit B. At least 14 days prior to paying this Franchise Deposit or signing a Deposit Receipt, we will provide you with a copy of this Franchise Disclosure Document, together with a copy of all proposed agreements relating to the sale.

Refundability of Franchise Deposit.

Your Franchise Deposit is fully refundable until you sign a Franchise Agreement. You will have a period of 120 days from the date you pay us the Franchise Deposit to enter into a Franchise Agreement with us, unless IA agrees to a different period of time with you in a separately executed agreement. If you do not enter into a Franchise Agreement with us within that time period and did not provide the request for refund above before that time, your Franchise Deposit shall be non-refundable.

Third Party Specific Location Analysis

~~IA will recommend a third party provider to complete a market study and feasibility analysis on a specific location or property. These evaluation(s) can range between \$1,000 and \$3,500 per geographic area or property. These fees will be paid directly to the third party vendor.~~

Design & Site Selection Fee

The Design & Site Selection Fee (the “DSS Fee”) is \$2,500 and has two components. The “Design” is for your floorplan(s) of your chosen location(s), to be created and provided by a supplier designated by IA. The “Site Selection” is for IA’s analysis and/or review of your chosen location(s). Some of these services will be provided by a third-party vendor. This also includes final design and site selection approval by IA. The DSS Fee is uniformly charged and is not refundable.

Franchise Agreement

Initial Franchise Fee

When you sign your Franchise Agreement, you must pay IA an initial franchise fee amount to \$49,500 (the “Initial Franchise Fee”). If you have paid a Franchise Deposit, then that amount shall be credited toward your Initial Franchise Fee. The Initial Franchise Fee is deemed fully earned upon payment and is non-refundable. IA expects to uniformly impose this Initial Franchise Fee, except as provided in the following bullet points:

**ITEM 7
ESTIMATED INITIAL INVESTMENT**

**YOUR ESTIMATED INITIAL INVESTMENT
FRANCHISE AGREEMENT**

Type of Expenditure ¹	Amount		Method of Payment	When Due	To Whom Payment is to be Paid
	Low	High			
Initial Franchise Fee ²	\$49,500	\$49,500	Lump sum	Upon Signing Franchise Agreement	IA
DSS Fee ³	\$2,500	\$2,500	Lump sum	Upon Signing Franchise Agreement	IA
Professional Fees and Other Legal Fees ⁴	\$5,500	\$12,500	As agreed	As agreed	Third Parties
Leasehold Improvements/Low Voltage Data Cabling/Access Control ⁵	\$0	\$60,000	As agreed	As agreed	Third Parties
Architectural Services ⁶	\$0	\$15,000	As agreed	As agreed	Third Parties
Designated Furniture, Fixture & Equipment (FF&E) ²⁷	\$50,000	\$75,000	Installments	As agreed	IA or its Affiliate
Initial Marketing Launch ³⁸	\$35,000	\$55,000	Installments	See Note	IA or its Affiliate
OJT (On the Job Training)	\$3,500	\$5,000	As agreed	As agreed	Third Parties
Grand Opening Event	\$3,500	\$5,000	Installments	As agreed	Third Parties
Office And Kitchen Supplies	\$500	\$1,000	As agreed	As agreed	Third Parties
Pre-Opening Staff, Salaries, Travel, Accommodations, Transportation and Meals During Training ⁴⁹	\$5,000	\$15,000	As agreed	From 90 days before construction completion date to the start of business	Third Parties
Third-Party Specific Location Analysis	\$1,000	\$3,500	As agreed	As agreed	Third Parties

Type of Expenditure ¹	Amount		Method of Payment	When Due	To Whom Payment is to be Paid
	Low	High			
Insurance Deposits and Premiums ⁵¹⁰	\$2,000	\$10,000	As agreed	As agreed	Third Parties
Site Lease Deposit	\$0	\$36,000	As agreed	As agreed	Landlord
Additional Funds (0 – 6 Months) ⁶¹¹	\$10,000	\$50,000	As agreed	As agreed	Employees, Suppliers and Other Third-Party Vendors
Total Estimated Initial Investment ⁷¹²	\$168,000	\$395,000			

Notes:

1. Type of Expenditure. These estimated initial expenses are our best estimate of the costs you may incur in establishing and operating your Center. We do not offer direct or indirect financing for these items. Except as otherwise provided in this table, all amounts paid to us or our affiliates are non-refundable and uniformly imposed. Third-party suppliers will determine whether payments to them are refundable.
2. Initial Franchise Fee. See Item 5 for additional information about your Initial Franchise Fee.
3. DSS Fee. See Item 5 for additional information about the Design and Site Selection Fee.
4. Professional Fees and Other Legal Fees. We strongly recommend that you hire a franchise attorney, accountant, or other professional to advise you on this franchise offering. Rates for professionals can vary significantly based on area and experience.
5. Leasehold Improvements/Low Voltage Data Cabling/Access Control. A typical Intelligent Assistant Center consists of about 1,500 rentable square feet of commercial or retail space at the low end of the range, and about 3,500 or more rentable square feet of commercial or office retail space at the high end of the range. The actual yield of day offices will vary based on pre-existing conditions and design. An Intelligent Assistant Center may occupy a portion of a single floor or spec suite using existing conditions. Actual costs of improvements will vary, depending on various factors, including the condition of the site you choose, the cost of architectural drawings, the local cost of contractors, and the geographic location of your Intelligent Assistant Center. This cost can be as low as \$0 if you are acquiring an existing location or a second-generation Center.
6. Architectural Services. The range in this chart represents an estimated cost to purchase a full set of architectural drawings ready to submit to local municipalities for permitting.
- ~~2-7.~~ Designated Furniture, Fixtures and Equipment. This estimate involves the purchase and installation of furniture and fixtures you will need to open an Intelligent Assistant Center, such as chairs, desks, tables, dedicated office and conference room signs, whiteboards, and other items. Some of these expenses will depend on Intelligent Assistant Center size, shipping distances, supplier chosen, and your credit history. We may require you to contract with approved vendors for the procurement and installation of the required furniture. The low amount represents the amount you may spend

income earned from the operation of your Intelligent Assistant Center during that time period. We may periodically increase the amounts of coverage required under these insurance policies and/or require different or additional insurance coverage at any time. All insurance policies must name us, IA Franchising, LLC, and any affiliates we designate as additional named insured parties. The cost of insurance may be significantly higher than the estimate listed in Item 7 depending on such factors as particular state coverage requirements, business location, and your loss history. If you fail to obtain the required insurance, we have the right (but not the duty) to immediately procure this insurance for you. If we do so, we may charge the cost of this insurance to you, plus interest.

We may conduct market research and testing to determine consumer trends and the salability of new products and services. You must agree to participate in our market research programs by purchasing, promoting and selling the products and services in your Intelligent Assistant Center.

Advertising and Promotional Approval

You also must use only our approved advertising and promotional materials in promoting the Center. See Item 11 for more information on advertising programs.

We may license third-party suppliers to produce marketing, advertising, and promotional items that bear the Marks. You may purchase these items for resale or for promotional purposes from approved third party suppliers.

Supplier and Product Approval

You must purchase (or lease if applicable) for sale at your Center services and products from us, our designees or from other suppliers we approve. We will provide you with lists of approved manufacturers, suppliers and distributors (“Approved Suppliers List”) and approved inventory, products, fixtures, furniture, equipment, signs, supplies, and other items or services necessary to operate your Center (“Approved Supplies List”). The Approved Suppliers List may specify the specific manufacturer of a specific product or piece of equipment and you must purchase the product or equipment only from a source identified on the Approved Suppliers List. The lists may specify the suppliers and the products or categories of products and services that we have approved for use in the System. We may revise these lists and provide you with a copy of approved lists (or update them in the Franchise Operations Manual) as we deem advisable.

We, an affiliate or a third-party vendor or supplier may be the only approved supplier for certain products or services. We will sell you our Furniture, Fixtures & Equipment Package, including fixtures, furniture, wall graphics, marketing and selected other items needed to operate your Center. We are an approved supplier of our Furniture, Fixtures & Equipment Package, although you may purchase these items from other approved sources.

If you want to use any unapproved material, fixture, equipment, furniture or sign, or purchase any items from any supplier that we have not approved and where we have not designated an exclusive source of supply, you must first obtain our approval by notifying us in writing and must submit to us, at our request, sufficient specifications, photographs, drawings or other information or samples for us to determine whether the services, material, fixture, equipment, furniture or sign complies with our specifications and standards, or the supplier meets our approved supplier criteria. Although we do not at this time, we may, in the future, charge you the actual cost of the test. The proposed supplier must meet all of our then-current specifications and standards as to quality, composition, finish, appearance and service, and adequately demonstrate their capacity and facilities to supply your needs in the quantities, at the times, and with the reliability required for an efficient operation of the Center. If we do not approve your proposal in writing within ten days of

delivery, we are deemed to have disapproved the proposal. We will not unreasonably withhold our approval of an item or a supplier of your choosing if the item or supplier meets our published standards and specifications. We reserve the right to change the published standards on any approved supplier or any equipment, furniture, fixtures, products, supplies or services used, offered for sale or leased by franchisees on 30 days' written notice to all franchisees and all approved suppliers. We may revoke our approval of an approved supplier on notice to you.

We do not provide material benefits, such as renewal advantages or granting additional franchises to franchisees based on their use of designated or approved sources or suppliers.

Rebates from Approved Suppliers

We and our affiliates may receive payments from suppliers on account of their dealings with you and other franchisees. We have received no payments from suppliers on account of their dealings with franchisees, but we reserve the right to receive payment in the future, which may range from 1% to 10% or more of franchisees' purchases.

Revenue Received from Franchisee Purchases

When you use Franchise Real Estate's services, Franchise Real Estate may receive compensation from the lessor of your business premises. At time of the issuance of this disclosure document, Franchise Real Estate's gross revenue from providing real estate services to franchisees was \$0.

We will derive revenue as a result of franchisee purchases or leases of products and services described in this Item 8. During our last fiscal year, we received \$0 in revenue from franchisee purchases of goods, products and services, and other payments as otherwise described in this Item 8.

Purchasing Arrangements

We currently have no purchasing or distribution cooperatives. We may negotiate purchase arrangements with suppliers for the benefit of our franchisees.

Miscellaneous

Our CEO, Ray Titus, owns an interest in Franchise Real Estate. Other than described above, none of our officers owns an interest in any designated or approved suppliers.

You must accept those forms of payment we specifically approve in the Franchise Operations Manual.

Magnitude of Required Purchases or Leases

We estimate that the costs of your total purchases from designated or approved sources, or according to our standards and specifications, may range from 48% to 63% of the total cost of establishing your Center and from 20% to 35% of the total cost of operating your Center after that time.

Neither the Franchise Agreement nor Development Agreement grants you any right to engage in any of the activities outlined in the preceding paragraph, or to share in any of the proceeds received by us, our parent/affiliates or any third party from these activities, unless we otherwise agree in writing. Further, we have no obligation to provide you any compensation for soliciting or accepting orders (via alternate channels of distribution) within your Territory.

Internet Sales/Alternative Channels of Commerce

We may sell products and services to members located anywhere, even if such products and services are similar to what we sell to you and what you offer at your Center. We may use the internet or alternative channels of commerce to sell Franchisor's brand products and services. You may only sell the products and services from your approved Center location, and may only use the internet or alternative channels of commerce to offer or sell the products and services, as permitted by us, in order to register members for classes. We may require you to submit samples of all advertising and promotional materials (and any use of the Marks and/or other forms of commercial identification) for any media, including the Internet, World Wide Web or otherwise. We retain the right to approve or disapprove of such advertising, in our sole discretion. Any use of social media by you pertaining to the Center must be in good taste and not linked to controversial, unethical, immoral, illegal or inappropriate content. We reserve the right to "occupy" any social media websites/pages and be the sole provider of information regarding the Center on such websites/pages (e.g., a system-wide Facebook page). At our request, you will promptly modify or remove any online communication pertaining to the Center that does not comply with the Franchise Agreement or the Franchise Operations Manual. You are not prohibited from obtaining members over the Internet provided your Internet presence and content comply with the requirements of the Franchise Agreement.

Additional Disclosures

Neither the Franchise Agreement nor the Development Agreement provides you with any right or option to open and operate additional Franchised Businesses (other than as specifically provided for in your Development Agreement if you are granted multi-unit development rights). Regardless, each Franchised Business you are granted the right to open and operate must be governed by its own specific form of Franchise Agreement.

ITEM 13 TRADEMARKS

We license you the right to use our principal trademarks, listed below, which are registered on the Principal Register of the United States Patent and Trademark Office ("USPTO") and other trademarks, service marks and commercial symbols that we may authorize, in the operation of your Center.

Registered Mark	Registration No.	Registration Date
INTELLIGENT ASSISTANT	3,444,001	June 10, 2008

We have filed all required affidavits and renewal registrations for the mark listed above.

The following is the principal logo trademark that we license to you (the "Unregistered Mark"). The Unregistered Mark is owned by us. We do not have a federal registration for our Unregistered Mark set forth below. Therefore, this Unregistered Mark does not have as many legal benefits and rights as a

federally registered trademark. If our right to use the Mark is challenged, you may have to change to an alternative trademark, which may increase your expenses.



Both marks (collectively “Marks”) are used as the sole identification of an Intelligent Assistant Center. We require that you identify yourself as the independent owner of the Center in the manner we require. You may not use any of the Marks or any modified version of the Marks as part of any corporate or trade name or email address or on any sites on the Internet, except as we may approve in writing. You cannot use any of the Marks to identify unauthorized products or services. You may not use or register the Marks as Internet domain names. You otherwise may use the Marks only as we direct. You must modify or discontinue your use of the Marks, at your own expense, if we so require.

There are no presently effective determinations of the USPTO, the trademark administrator of any state or any court, any pending interference, opposition or cancellation proceedings or material litigation involving the Marks. No agreements limit our right to use or license the use of the Marks.

You must immediately notify us of any apparent infringement of or challenge to your use of any Marks, and we have sole discretion to take any action we deem appropriate. We are unaware of any infringing uses or superior rights that could materially affect your use of the Marks.

We are not obligated to protect you against infringement or unfair competition claims arising out of your use of the Marks, or to participate in your defense or indemnify you. We reserve the right to control any litigation relating to the Marks and we have the sole right to decide to pursue or settle any infringement actions relating to the Marks. You must notify us promptly of any infringement or unauthorized use of the Marks of which you become aware. If we determine that a trademark infringement action requires changes or substitutions to the Marks, you will make these changes or substitutions at your own expense.

ITEM 14 PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

You will use our confidential information (“Confidential Information”) in the operation of your franchised business. We will disclose Confidential Information to you in the Franchise Operations Manual, the fully integrated Telecommunications-Technology Integration System and other communications. We claim copyright protection covering our Confidential Information and the Franchise Operations Manual and the manner in which the various components of Telecommunications-Technology Integration System are installed, configured and integrated as. We have not registered these materials with the U.S. Registrar of Copyrights, but we need not do so to protect them.

Except as described above, no patents or copyrights are material to the franchise. You must promptly notify us when you learn of an unauthorized use of the Confidential Information or the Franchise Operations Manual. We are not obligated to take any action against any unauthorized user of the Confidential Information or the Franchise Operations Manual but will respond to this information as we think appropriate. We will control any litigation involving the Confidential Information and the Franchise

revenue data is being provided as there are currently no Intelligent Assistant Centers operating at the time of issuance of this disclosure document. We obtained 100% of the gross sales data for the Intelligent Office Centers listed in the System IA Revenues Table included in this Item 19 from monthly sales reported to our affiliate by the Intelligent Office Centers. The monthly sales reports have not been audited by certified public accountants nor have we sought to independently verify their accuracy for purposes of the financial performance representations. Not all Intelligent Office Centers properly reported sales in 2024.

The financial performance representations include certain annual revenues of Intelligent Office Centers offering services substantially similar to those to be offered at an Intelligent Assistant Center, including meeting spaces and virtual office services, during calendar year 2024 (referred to below as “Gross Revenues”). The revenues included do not include any opportunity you may have for revenues in other areas of the business. . These revenues are a snapshot of Intelligent Assistant, hourly/daily meeting rentals, and virtual office opportunities only. These revenues include all revenues from the sale of said products or services, except sales taxes are excluded and refunds and credits are deducted (to the extent the refund or credit represents amounts previously included in revenues).

System IA Revenues of Open Intelligent Office Centers

The Financial Performance Representation in the below table are Gross Revenue figures per Intelligent Office franchisee, not per (“FA”) or Franchise Agreement or individual location. Twenty-two (22) owners contribute to the 36 individual units reflected in the Financial Performance Representations.

Tier	Owners	Average Units	Average	Median	High	Low
Top Third	7	2.7	\$1,056,510	<u>\$746,230</u>	\$2,479,781	\$662,919
Middle Third	7	1.3	\$384,923	<u>\$401,999</u>	\$457,302	\$306,614
Bottom Third	8	1.0	\$235,980	<u>\$239,717</u>	\$305,994	\$114,954
Total	22	1.6	\$551,219	<u>\$401,999</u>	\$2,479,781	\$114,954

The Gross Revenues financial performance representations above are based on a population of 36 individual locations owned by 22 Intelligent Office franchisees. Five (5) locations were excluded for not reporting their sales properly for every month in calendar year 2024. On average the Intelligent Office franchise owners in the financial performance representation above have been operating for 16.21 years

Some outlets achieved these results. Your individual results may differ. There is no assurance you will achieve these results.

Other than this Item 19, we do not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it immediately to the franchisor's management by contacting Mark D. Nichols, Esq., General Counsel, 2121 Vista Parkway, West Palm Beach, Florida 33411, (561)-640-5570, the Federal Trade Commission, and the appropriate state regulatory agencies.

[REST OF PAGE INTENTIONALLY LEFT BLANK]

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
Massachusetts	0	0	0
Michigan	0	0	0
Minnesota	0	0	0
Mississippi	0	0	0
Missouri	0	0	0
Montana	0	0	0
Nebraska	0	0	0
Nevada	0	0	0
New Hampshire	0	0	0
New Jersey	1	1	0
New Mexico	0	0	0
New York	0	0	0
North Carolina	3	3	0
North Dakota	0	0	0
Ohio	0	0	0
Oklahoma	0	0	0
Oregon	0	0	0
Pennsylvania	0	0	0
Puerto Rico	0	0	0
Rhode Island	0	0	0
South Carolina	0	0	0
South Dakota	0	0	0
Tennessee	0	0	0
Texas	0	0	0
Utah	0	0	0
Vermont	0	0	0
Virginia	1	1	0
Washington	0	0	0
West Virginia	0	0	0
Wisconsin	0	0	0
Wyoming	0	0	0
Total	6	6	0

**ITEM 21
FINANCIAL STATEMENTS**

We have not been in business for three years or more, and therefore cannot include all financial statements required by the Franchise Rule of the Federal Trade Commission. Audited financial statements prepared in accordance with United States generally accepted accounting principles for the Company for the period ended July 1, 2025, are attached as Exhibit D.

The performance of IA’s obligations under the Franchise Agreement has been guaranteed by our affiliate, FP Franchising, Inc. d/b/a Fully Promoted, pursuant to a Guaranty of Performance. The audited financial statements for FP Franchising, Inc. d/b/a Fully Promoted prepared in accordance with generally accepted accounting principles for the periods ending December 31, 2024, December 31, 2023,

and December 31, 2022, are attached as Exhibit D-1 along with a copy of the Guaranty of Performance. Unaudited interim financial statements of FP Franchising, Inc. for the period ending June 30, 2025 are also included in Exhibit D-1.

ITEM 22 CONTRACTS

Attached to this Disclosure Document are the following franchise-related contracts:

1. Exhibit A Franchise Agreement and Applicable Addenda
2. Exhibit B Deposit Receipt
3. Exhibit C Multi-Unit Development Agreement and Applicable Addenda
4. Exhibit H General Release Agreement
5. Exhibit I Compliance Certification
6. Exhibit J Confidentiality and Nondisclosure Agreement

ITEM 23 RECEIPTS

The last pages of this Disclosure Document, Exhibit M, are a detachable document, in duplicate. Please detach, sign, date and return one copy of the Receipt to us, acknowledging that you received this Disclosure Document. Please keep the second copy for your records.

[REST OF PAGE INTENTIONALLY LEFT BLANK]

STATE OF MINNESOTA

ADDENDUM TO FRANCHISE AGREEMENT

In consideration of the execution of the foregoing Franchise Agreement with IA Franchising, LLC, the Franchisee hereby acknowledges that:

1. Minnesota Statute 80C.21 and Minnesota Rule 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of the franchisee's rights as provided for in Minnesota Statute 80C or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.
- 1.2. With respect to franchises governed by Minnesota law, the franchiser will comply with Minnesota Statute 80C.14 Subd. 3-5, which require (except in certain specified cases)
 - a. that a franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the franchise agreement; and
 - b. that consent to the transfer of the franchise will not be unreasonably withheld.
3. Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statute 80C.12 Subd. 1(G). The franchiser will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes, or other commercial symbols or indemnify the franchisee from any loss, costs, or expenses arising out of any claim, suit, or demand regarding the use of the name.
4. Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.
5. The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minnesota Rule 2860.4400(J) also, a court will determine if a bond is required.
6. The Limitations of Claims section must comply with Minnesota Statute 80C.17 Subd. 5.
7. NSF checks are governed by Minnesota Statute 604.113, which puts a cap of \$30 on service charges.
8. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including, fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed with the franchise.
- 2.9. The performance of IA's obligations under the Franchise Agreement has been guaranteed by our affiliate, FP Franchising, Inc. d/b/a Fully Promoted, pursuant to a Guaranty of Performance. The audited financial

statements for FP Franchising, Inc. Inc. d/b/a Fully Promoted prepared in accordance with generally accepted accounting principles for the periods ending December 31, 2024, December 31, 2023, and December 31, 2022, are attached as Exhibit D-1 along with a copy of the Guaranty of Performance. Unaudited interim financial statements of FP Franchising, Inc. for the period ending June 30, 2025 are also included in Exhibit D-1.

~~3.10.~~ Section Two E of the Franchise Agreement is amended by adding the following language:

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

~~4.~~ ~~New subsection E is added to Section Sixteen of the Franchise Agreement which states:~~

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

~~5.~~ ~~Sections Twenty Five A and Twenty Six D of the Franchise Agreement is amended by adding the following language:~~

~~“Minn. Stat. 80C21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside of Minnesota. In addition, nothing in the Disclosure Document or this Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights as provided for by the laws of the jurisdiction.”~~

~~6.~~ ~~The Franchisor will protect the Franchisee’s rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the Franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.~~

~~7.~~ ~~Minnesota considers it unfair to not protect the Franchisee’s right to use the trademarks. Refer to Minnesota Statutes, Section 80C.12, Subd. 1(g).~~

~~8.11.~~ New subsection F is added to Section Twenty-Three of the Franchise Agreement which states:

“Minnesota law provides that no action may be commenced under Minn. Stat. Sec. 80C.17 more than three (3) years after the cause of action accrues. Minn. Stat. §80C.17, Subd. 5.”

~~9.~~ ~~No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including, fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed with the franchise.~~

STATE OF MINNESOTA
ADDENDUM TO MULTI-UNIT DEVELOPMENT AGREEMENT

In consideration of the execution of the foregoing Multi-Unit Development Agreement with IA Franchising, LLC, the Developer hereby acknowledges that:

12. Minnesota Statute 80C.21 and Minnesota Rule 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of the franchisee's rights as provided for in Minnesota Statute 80C or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.
13. With respect to franchises governed by Minnesota law, the franchiser will comply with Minnesota Statute 80C.14 Subd. 3-5, which require (except in certain specified cases)
 - a. that a franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the franchise agreement; and
 - b. that consent to the transfer of the franchise will not be unreasonably withheld.
14. Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statute 80C.12 Subd. 1(G). The franchiser will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes, or other commercial symbols or indemnify the franchisee from any loss, costs, or expenses arising out of any claim, suit, or demand regarding the use of the name.
15. Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.
16. The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minnesota Rule 2860.4400(J) also, a court will determine if a bond is required.
17. The Limitations of Claims section must comply with Minnesota Statute 80C.17 Subd. 5.
18. NSF checks are governed by Minnesota Statute 604.113, which puts a cap of \$30 on service charges.
19. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including, fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed with the franchise.
20. The performance of IA's obligations under the Franchise Agreement has been guaranteed by our affiliate, FP Franchising, Inc. d/b/a Fully Promoted, pursuant to a Guaranty of Performance. The audited financial statements for FP Franchising, Inc. Inc. d/b/a Fully Promoted prepared in accordance with generally accepted accounting principles for the periods ending December 31, 2024, December 31, 2023, and December 31, 2022, are attached as Exhibit D-1 along with a copy of the Guaranty of Performance.

Unaudited interim financial statements of FP Franchising, Inc. for the period ending June 30, 2025 are also included in Exhibit D-1.

~~Section Seven of the Multi Unit Development Agreement, entitled “Dispute Resolution; Miscellaneous”, is hereby amended by the addition of the following language to the original language that appears therein:~~

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

~~“Minn. Stat. 80C21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside of Minnesota. In addition, nothing in the Disclosure Document or this Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights as provided for by the laws of the jurisdiction.”~~

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

IA Franchising, LLC

By: _____
Print Name/Title: _____
Date: _____

Developer:

Signature: _____
Print Name: _____
Date: _____

Signature: _____
Print Name: _____
Date: _____

Corporate Name (If Applicable):

By: _____
Print Name/Title: _____
Date: _____

EXHIBIT D-1

**FINANCIAL STATEMENTS OF GUARANTOR
AND GUARANTY OF PERFORMANCE**

FP Franchising, Inc.

Audited Consolidated Financial Statements

December 31, 2024, December 31, 2023, and December 31, 2022

FP FRANCHISING, INC.

TABLE OF CONTENTS

Independent Auditor's Report	1-2
Financial Statements:	
Consolidated Balance Sheets	3
Consolidated Statements of Income and Retained Earnings	4
Consolidated Statements of Cash Flows	5
Notes to Consolidated Financial Statements	6-13



MILBERY & KESSELMAN
CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors
FP Franchising, Inc.
West Palm Beach, Florida

INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the accompanying financial statements of FP Franchising, Inc. (a FL corporation), which comprise the consolidated balance sheets as of December 31, 2024, December 31, 2023, and December 31, 2022, and the related consolidated statements of income and retained earnings, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of FP Franchising, Inc. as of December 31, 2024, December 31, 2023, and December 31, 2022, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

A handwritten signature in cursive script that reads "Milbery & Kesselman, CPAs".

Milbery & Kesselman, CPAs, LLC
March 12, 2025

FP FRANCHISING, INC.
Consolidated Balance Sheets
For the years ended December 31, 2024, December 31, 2023, and December 31, 2022

	2024	2023	2022
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 436,584	\$ 200,289	\$ 218,386
Marketable Securities - At Market Value	812,311	711,103	603,817
Accounts Receivable (net of Allowance for Doubtful Accounts)	980,433	606,901	518,080
Contract Assets	50,000	50,000	-
Loans Receivable - Related Companies	2,946,134	3,614,256	2,822,893
Inventory	95,775	52,455	33,891
Prepaid Expenses	113,489	71,641	39,289
Current Portion of Promissory Notes	28,257	27,332	22,854
Total Current Assets	5,462,983	5,333,977	4,259,210
Property and Equipment (net of Accumulated Depreciation)	29,015	31,304	23,733
Other Assets			
Promissory Notes, net of Current Portion	4,426	36,148	50,723
TOTAL ASSETS	\$ 5,496,424	\$ 5,401,429	\$ 4,333,666
LIABILITIES AND STOCKHOLDERS' EQUITY			
LIABILITIES			
Current Liabilities			
Accounts Payable	\$ 627,750	\$ 716,172	\$ 457,014
Current Portion of Contract Liabilities	604,420	637,929	125,924
Accrued Expenses	849,672	492,355	483,403
Current Portion of Long Term Debt	-	3,201	3,201
Total Current Liabilities	2,081,842	1,849,657	1,069,542
Long Term Liabilities			
Long Term Debt, net of Current Portion	150,000	146,799	146,799
Contract Liabilities, net of Current Portion	33,333	-	-
Total Long Term Liabilities	183,333	146,799	146,799
TOTAL LIABILITIES	2,265,175	1,996,456	1,216,341
Commitments and Contingencies			
STOCKHOLDERS' EQUITY			
Common Stock	375,000	375,000	375,000
Retained Earnings	2,734,806	2,952,160	2,761,118
Accumulated Other Comprehensive Income (Loss)	121,443	77,813	(18,793)
TOTAL STOCKHOLDERS' EQUITY	3,231,249	3,404,973	3,117,325
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 5,496,424	\$ 5,401,429	\$ 4,333,666

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

FP FRANCHISING, INC.
Consolidated Statements of Income and Retained Earnings
For the years ended December 31, 2024, December 31, 2023, and December 31, 2022

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Income			
Franchise Fees	\$ 4,324,639	\$ 3,110,307	\$ 2,513,285
Product	996,981	722,680	431,815
Commissions	-	-	1,570
Royalties	4,269,108	4,173,832	4,118,465
Other Income	<u>22,591</u>	<u>12,594</u>	<u>20,982</u>
Total Income	9,613,319	8,019,413	7,086,117
Cost of Goods Sold	2,985,600	1,658,946	1,167,203
Gross Profit	<u>\$ 6,627,719</u>	<u>\$ 6,360,467</u>	<u>\$ 5,918,914</u>
Expenses			
Advertising	472,979	505,852	496,446
Automobile	84,047	87,892	68,470
Bad Debt	62,222	1,409	36,815
Bank Service Charges	28,500	33,741	33,921
Computer and Software	45,383	164,307	203,836
Depreciation	13,005	9,126	26,829
Dues and Subscriptions	90,464	84,711	66,671
Insurance	57,619	67,115	73,145
Leasing Costs	25,642	55,656	82,447
Licensing and Registrations	8,818	11,595	8,610
Office	75,425	110,616	88,035
Payroll	4,524,565	4,267,262	3,937,711
Postage	58,304	24,270	21,991
Professional Fees	68,205	74,771	80,680
Taxes	7,056	10,046	7,752
Telephone	8,141	55,172	73,599
Travel and Meals	<u>355,448</u>	<u>348,432</u>	<u>317,626</u>
Total Expenses	<u>5,985,823</u>	<u>5,911,973</u>	<u>5,624,584</u>
Net Income (Loss) before Other Income	<u>\$ 641,896</u>	<u>\$ 448,494</u>	<u>\$ 294,330</u>
Other Income/(Expense)			
Interest and Dividend Income	22,916	29,946	20,630
Interest Expense	(5,689)	(5,548)	(6,396)
Income Tax	(1,309)	(15,000)	(15,000)
Gain/(Loss) on Foreign Currency Exchange	11,888	(23,884)	5,477
Realized Gain/(Loss) on Investments	41,640	(3,591)	(77,533)
Other Income	-	-	-
Gain on Extinguishment of Debt	-	-	255,088
Total Other Income/(Expense)	<u>69,446</u>	<u>(18,077)</u>	<u>182,266</u>
Net Income	<u>\$ 711,342</u>	<u>\$ 430,417</u>	<u>\$ 476,596</u>
Retained Earnings, Beginning	2,952,160	2,761,118	2,284,522
Shareholder Distributions	(928,696)	(239,375)	-
Retained Earnings, Ending	<u>\$ 2,734,806</u>	<u>\$ 2,952,160</u>	<u>\$ 2,761,118</u>

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

FP FRANCHISING, INC.
Consolidated Statements of Cash Flows
For the years ended December 31, 2024, December 31, 2023, and December 31, 2022

	2024	2023	2022
Cash Flows from Operating Activities			
Net Income	\$ 711,342	\$ 430,417	\$ 476,596
Adjustments to reconcile net income to net cash provided/(used) by Operations			
Depreciation	13,005	9,126	26,829
(Increase)/Decrease in Accounts Receivable	(373,532)	(88,821)	99,760
(Increase)/Decrease in Contract Assets	-	(50,000)	-
(Increase)/Decrease in Loans Receivable	668,122	(791,363)	(626,613)
(Increase)/Decrease in Inventory	(43,320)	(18,564)	(16,906)
(Increase)/Decrease in Prepaid Expenses	(41,848)	(32,352)	(7,904)
Increase/(Decrease) in Accounts Payable	(88,422)	259,158	(182,362)
Increase/(Decrease) in Contract Liabilities	(176)	512,005	(421,218)
Increase/(Decrease) in Accrued Expenses	357,317	8,952	237,638
Cash provided/(used) by Operating Activities	1,202,488	238,558	(414,180)
 Cash Flows from Investing Activities			
Acquisition of Fixed Assets	(10,716)	(16,697)	(11,186)
Marketable Securities	(57,578)	(10,680)	65,382
Cash provided/(used) by Investing Activities	(68,294)	(27,377)	54,196
 Cash Flows from Financing Activities			
Promissory Notes	30,797	10,097	32,615
Shareholder Distributions	(928,696)	(239,375)	-
Cash provided/(used) by Financing Activities	(897,899)	(229,278)	32,615
 Increase/(Decrease) in Cash	236,295	(18,097)	(327,369)
Beginning Balance	200,289	218,386	545,755
Ending Balance	\$ 436,584	\$ 200,289	\$ 218,386
 SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:			
Cash paid during the year for:			
Interest	\$ 5,689	\$ 5,548	\$ 6,396

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

FP Franchising, Inc.

Notes to Consolidated Financial Statements

Note 1 Summary of Significant Accounting Policies

Nature of business – FP Franchising, Inc. (the “Company”), was incorporated in Florida on February 17, 2000 and is headquartered in West Palm Beach, Florida. During 2023, the Company changed its name and is formerly known as Embroidme.com, Inc. D.B.A. Fully Promoted. The Company sells franchises that allow the purchaser to operate a full service branded products and marketing services business that offers online marketing services, lead generation services, printed marketing materials, embroidered, screen-printed apparel and/or advertising and promotional merchandise and complete marketing campaign management for a variety of printed marketing materials.

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

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

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

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

Accounting estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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

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

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

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

FP Franchising, Inc.

Notes to Consolidated Financial Statements

Note 1 Summary of Significant Accounting Policies (continued)

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

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

	<u>Years</u>
Vehicles	5
Machinery and equipment	5
Computer equipment	3.5 – 7
Software	3
Leasehold improvements	10

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

Advertising – Advertising primarily consist of the outside costs related to lead development. Advertising costs are expensed as incurred and were \$472,979 for the year ended December 31, 2024, \$505,852 for the year ended December 31, 2023, and \$496,446 for the year ended December 31, 2022.

Leases – The Company recognizes and measures its leases in accordance with FASB ASC 842, *Leases*. The Company is a lessee in several month-to-month operating leases for office space. The Company determines if an arrangement is a lease, or contains a lease, at inception of a contract and when the terms of an existing contract are changed. The Company recognizes a lease liability and a right of use (ROU) asset at the commencement date of the lease. The lease liability is initially and subsequently recognized based on the present value of its future lease payments. Variable payments are included in the future lease payments when those variable payments depend on an index or a rate. The discount rate is the implicit rate if it is readily determinable or otherwise the Company uses its incremental borrowing rate. The implicit rates of our leases are not readily determinable and accordingly, we use our incremental borrowing rate based on the information available at the commencement date for all leases. The Company's incremental borrowing rate for a lease is the rate of interest it would have to pay on a collateralized basis to borrow an amount equal to the lease payments under similar terms and in a similar economic environment. The ROU asset is subsequently measured throughout the lease term at the amount of the re-measured lease liability (i.e., present value of the remaining lease payments), plus unamortized initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the unamortized balance of lease incentives received, and any impairment recognized. Lease cost for lease payments is recognized on a straight-line basis over the lease term.

FP Franchising, Inc.

Notes to Consolidated Financial Statements

Note 1 Summary of Significant Accounting Policies (continued)

Leases (continued) - The Company has elected, for all underlying class of assets, to not recognize ROU assets and lease liabilities for short-term leases that have a lease term of twelve months or less at lease commencement, and do not include an option to purchase the underlying asset that the Company is reasonably certain to exercise. We recognize lease cost associated with our short-term leases on a straight-line basis over the lease term.

Income taxes - The Company has elected to be taxed under sections of the federal and state income tax laws that provide that, in lieu of corporate income taxes, the shareholders separately account for their pro rata shares of the Company's items of income, deduction, losses and credits. Therefore, no provision for federal income tax is reflected in the Company's financial statements. The provision for state income taxes for 2024, 2023, and 2022 consisted of the following:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Various State Income Taxes	\$1,309	\$15,000	\$15,000

The Company is subject to taxation in various state jurisdictions. State jurisdictions have statutes of limitations that generally range from three to five years. As of December 31, 2024, none of the Company's tax returns are under examination.

Related parties – For the purposes of these financial statements, parties are considered to be related to the Company where the Company and the party are subject to common control and/or common joint control. Related parties may be individuals or other entities.

Going concern – The Company evaluates whether there are conditions or events, considered in the aggregate, that raise substantial doubt about its ability to continue as a going concern for a period of one year after the date that the financial statements are available to be issued, taking into consideration the quantitative and qualitative information regarding the Company's current financial condition, conditional and unconditional obligations due and the funds and cash flow necessary to maintain operations within that time period. Based on management's evaluation, the Company will be able to continue in operation on a going concern basis for at least the next twelve months from the date these financial statements were available to be issued.

Date of management's review – Management evaluated events or transactions subsequent to the balance sheet date for potential recognition or disclosure in the financial statements through March 12, 2025, which is the date the financial statements were available for issuance.

FP Franchising, Inc.

Notes to Consolidated Financial Statements

Note 2 Accounts Receivable

Accounts receivable at December 31, 2024, 2023, and 2022 consisted of the following:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Franchise fees receivable	\$ 1,036,577	\$ 641,966	\$ 555,709
Allowance for doubtful accounts	<u>(56,144)</u>	<u>(35,065)</u>	<u>(37,629)</u>
	<u>\$ 980,433</u>	<u>\$ 606,901</u>	<u>\$ 518,080</u>

The bad debt deducted for the year ended 2024 was \$62,222. The bad debt deducted for the year ended 2023 was \$1,409. The bad debt benefit for the year ended 2022 was \$36,815.

Note 3 Cash and Cash Equivalents

The Company maintains cash balances at four financial institutions. Accounts at the United States institutions are insured by the Federal Deposit Insurance Corporation for up to \$250,000. Accounts at the Australian institution are insured by the Financial Claims Scheme for up to 250,000 AUD. At December 31, 2024, the Company had uninsured cash balances amounting to \$47,493. At December 31, 2023, the Company had uninsured cash balances amounting to \$0. At December 31, 2022, the Company had uninsured cash balances amounting to \$0.

Note 4 Property and Equipment

Property and equipment as of December 31, 2024, 2023, and 2022 consisted of the following:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Computers and software	\$ 353,025	\$ 342,816	\$ 326,024
Less: accumulated depreciation	<u>(324,010)</u>	<u>(311,512)</u>	<u>(302,291)</u>
	<u>\$ 29,015</u>	<u>\$ 31,304</u>	<u>\$ 23,733</u>

Depreciation as of December 31, 2024 is \$13,005.

Note 5 Promissory Notes

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

FP Franchising, Inc.

Notes to Consolidated Financial Statements

Note 6 Long Term Debt

On July 20, 2020, the Company executed a promissory note for \$150,000 under the Economic Injury Disaster Loans (“EIDL”) authorized by the Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”). The loan bears an interest rate of 3.75% per annum and matures thirty years from the date of the note (July 2050). Under the loan agreement, the monthly payment of principal and interest is \$731 beginning twenty four months from the date of the note. As of December 31, 2024, the outstanding principal amount of the note payable was \$150,000.

Future minimum principal payments on the long term debt as of December 31, 2024 are as follows:

For the year ending December 31,

2025	\$	0
2026		0
2027		3,202
2028		3,324
2029		3,451
Thereafter		<u>140,023</u>
Total		<u>\$ 150,000</u>

Note 7 Leases

The Company has obligations as a lessee for office space with initial term of less than one year. The Company classified these lease as operating leases. These leases generally contain renewal options for periods ranging from one to five years. Because the Company is not reasonably certain to exercise these renewal options, the optional periods are not included in determining the lease term, and associated payments under these renewal options are excluded from lease payments. The Company’s leases do not include termination options for either party to the lease or restrictive financial or other covenants. Payments due under the lease contracts include fixed payments.

The components of leasing costs for the period ended December 31, 2024 are as follows:

Short Term Leasing Costs	<u>\$ 25,642</u>
--------------------------	------------------

Note 8 Revenue Recognition in Accordance with FASB ASC 606

Contract balances

Contract balances from contracts with customers were as follows:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Contract assets	\$ 50,000	\$ 50,000	\$ -
Contract liabilities	637,753	637,929	125,924

The accompanying independent auditor’s report should be read with these notes

FP Franchising, Inc.

Notes to Consolidated Financial Statements

Note 8 Revenue Recognition in Accordance with FASB ASC 606 (continued)

Disaggregation of revenue

The Company derives its revenues primarily from the sale of franchises. Revenue from performance obligations satisfied at a point in time consists of franchise fees, royalties, and other income. Revenue from performance obligations satisfied over time consists of the sale of master licenses and renewal franchise fees.

Performance obligations

For performance obligations related to the franchise fees, control transfers to the customer at a point in time. Revenues are recognized when the franchisee training is completed and the equipment is delivered.

For performance obligations related to royalties and other income, control transfers to the customer at a point in time. Royalty revenues are recognized monthly based on the monthly sales from the franchisees.

For performance obligations related to master licenses and renewal franchise fees, control transfers to the customer over time. Revenues are recognized over the term of the contract.

Significant judgments

The Company sells franchises for an agreed upon contract amount. For fixed fee contracts, the Company is entitled to payment upon signing of the franchise agreement and recognizes the revenues when the performance obligations have been met.

Note 9 Transactions with Related Parties

The Company reimburses and receives reimbursements to and from Related Parties, for certain operating expenses, including home office rent, payroll, and other administrative expenses. For the year ending December 31, 2024, related party balances included loans receivable of \$2,946,134. December 31, 2023, related party balances included loans receivable of \$3,614,256. For the year ending December 31, 2022, related party balances included loans receivable of \$2,822,893.

Note 10 Gain on Extinguishment of Debt

United Franchise Group Payroll Inc (UFGP), a related party, administers all payroll for the related entities. Payroll is allocated to each entity based on actual hours worked for each related entity. On January 31, 2021, UFGP was granted a loan from First American Bank, pursuant to the Paycheck Protection Program (the "PPP") under Division A, Title I of the CARES Act. The loan was allocated to the related entities based on the payroll allocation for the 2021 year. The loan allocation for the Company was \$255,088. UFGP applied for and was granted loan forgiveness on June 6, 2022 for the entire amount of the loan in eligible expenditures for payroll and other expenses described in the CARES Act. Loan forgiveness has been granted and therefore reflected in Other Income in the accompanying Consolidated Statement of Income and Member's Equity as of December 31, 2022.

The accompanying independent auditor's report should be read with these notes

FP Franchising, Inc.

Notes to Consolidated Financial Statements

Note 11 Litigation

From time to time, the Company is involved in litigation, most of which is incidental and normal to its business. In the opinion of Company counsel, no litigation to which the Company currently is a party is likely to have a material adverse effect on the Company's results of operations, financial condition or cash flows.

Note 12 Commitments and Contingencies

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

As of December 31, 2024 the Company is contingently liable in the amount of \$7,435,544 as a guarantor of mortgages payable and \$275,000 on the revolving credit line, to First American Bank for its affiliate Sign*A*Rama Inc.

As of December 31, 2023 the Company is contingently liable in the amount of \$7,875,317 as a guarantor of mortgages payable and \$1,300,000 on the revolving credit line, to First American Bank for its affiliate Sign*A*Rama Inc.

As of December 31, 2022 the Company is contingently liable in the amount of \$7,438,091 as a guarantor of mortgages payable and \$1,700,000 on the revolving credit line, to First American Bank for its affiliate Sign*A*Rama Inc.

Note 13 Fair Value

Financial Accounting Standards Board (FASB) ASC Topic 820, Fair Value Measurements and Disclosures, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The Company adopted changes made by Accounting Standards Update (ASU) 2011-04, Fair Value Measurement (Topic 820) Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs, which expands the disclosures, required for fair value accounting and clarifies the measurement of fair value when used in valuing certain assets and liabilities.

Note 13 Fair Value (continued)

Fair value measurements are segregated into those that are recurring and nonrecurring. Recurring fair value measurements of assets and liabilities of those that are required or permitted in the statement of financial position at the end of each reporting period related to assets such as trading securities, securities available for sale, and private venture-capital equity investments.

Nonrecurring fair value measurements of assets and liabilities are required or permitted in the statement of financial position in particular circumstances such as when the company measures long-

FP Franchising, Inc.

Notes to Consolidated Financial Statements

lived assets and goodwill for impairment, or assets and liabilities of business combination recorded at fair value at the acquisition date.

The three levels of inputs in the fair value hierarchy are described below:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2: Inputs to the valuation methodology include: a) quoted prices for similar assets or liabilities in active markets, b) quoted prices for identical or similar assets and liabilities in active markets, c) inputs other than quoted prices that are observable for the asset or liability, and d) inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Fair Value Measurement at December 31, 2024

	Total Carrying Amount 12/31/24	Fair Value Estimate 12/31/24	Assets or Liabilities Measured at Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Inputs Other than Quoted Prices that are Observable (Level 2)	Significant Unobservable Inputs (Level 3)
Trading Securities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Equity Securities - Other	812,311	812,311	812,311	812,311	-	-
Total Trading Securities	<u>\$ 812,311</u>	<u>\$ 812,311</u>	<u>\$ 812,311</u>	<u>\$ 812,311</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying independent auditor's report should be read with these notes

UNAUDITED FINANCIAL STATEMENTS

THE FOLLOWING FINANCIAL STATEMENTS ARE PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAD AUDITED THESE FIGURES OR EXPRESSED HIS/HER OPINION WITH REGARD TO THE CONTENT OR FORM.

FP FRANCHISING, INC.
Consolidated Balance Sheet
As of June 30, 2025

	6/30/2025
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 326,637
Marketable Securities - At Market Value	887,755
Accounts Receivable (net of Allowance for Doubtful Accounts)	2,492,532
Loans Receivable - Related Companies	2,335,030
Inventory	78,808
Prepaid Expenses	72,739
Promissory Notes - Current Portion	
Total Current Assets	6,193,501
Intangible Assets (net of accumulated amortization)	9,887
Property and Equipment (net of accumulated depreciation)	12,243
Other Assets	
Security Deposits	
Promissory Notes	16,288
Total Other Assets	16,288
TOTAL ASSETS	6,231,918
LIABILITIES AND STOCKHOLDERS' EQUITY	
LIABILITIES	
Current Liabilities	
Accounts Payable - Trade	2,077,762
Accrued Expenses	588,527
Total Current Liabilities	2,666,289
Long Term Liabilities	
Notes Payable	155,612
Total Long Term Liabilities	155,612
TOTAL LIABILITIES	2,821,901
STOCKHOLDERS' EQUITY	
Common Stock	375,000
Retained Earnings	2,973,214
Accumulated Other Comprehensive Income	61,803
TOTAL STOCKHOLDERS' EQUITY	3,410,017
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 6,231,918

0.00

FP FRANCHISING, INC.
Consolidated Statement of Income and Retained Earnings
For the years ended June 30, 2025

	6/30/2025
Income	
Franchise Fees	\$3,097,616.13
Product	466,314
Commissions	-
Royalties	2,067,692
Other Income	21,608
Total Income	5,653,229
 Cost of Goods Sold	 1,844,836
 Gross Profit	 \$ 3,808,393
Expenses	
Advertising	303,307
Amortization	5,613
Automobile	48,243
Bad Debt	26,410
Bank Service Charges	16,874
Computer and Software	36,175
Depreciation	1,872
Dues and Subscriptions	23,396
Insurance	29,656
Licensing and Registrations	4,985
Office	36,320
Payroll	2,596,955
Postage	4,676
Professional Fees	74,505
Rent	21,041
Taxes	870
Telephone	37,071
Travel and Meals	223,853
Total Expense	3,491,823
 Net Income before Other Income/(Expense)	 \$ 316,570
Other Income/(Expense)	
Interest Income and Dividend Income	8,424
Interest Income	306
Interest Expense	(3,027)
Gain/(Loss) on Foreign Currency Exchange	(19,598)
Realized Gain/(Loss) in Investments	7,779
Total Other Income/(Expense)	(6,115)

Net Income	\$	310,455
Retained Earnings, Beginning		3,905,040.46
Shareholder Distributions		(1,240,615.20)
Retained Earnings, Ending		<u>2,974,880</u>
Other Comprehensive Income		
Unrealized Gain/(Loss) on Marketable Securities	\$	<u>61,803</u>

GUARANTY OF PERFORMANCE

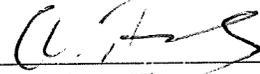
For value received, FP Franchising, Inc., a corporation duly existing and organized under the laws of the State of Florida (the "Guarantor"), located at 2121 Vista Parkway, West Palm Beach, FL 33411, absolutely and unconditionally guarantees to assume the duties and obligations of IA Franchising LLC, a Florida limited liability company ("Franchisor"), located at 2121 Vista Parkway, West Palm Beach, FL 33411, under its franchise registration in each state where the franchise is registered, and under its Franchise Agreement identified in its 2025-26 Franchise Disclosure Document, as it may be amended, and as that Franchise Agreement may be entered into with franchisees and amended, modified or extended from time to time. This guarantee continues until all such obligations of the Franchisor under its franchise registrations and the Franchise Agreement are satisfied or until the liability of Franchisor to its franchisees under the Franchise Agreement has been completely discharged, whichever first occurs. The Guarantor is not discharged from liability if a claim by a franchisee against the Franchisor remains outstanding. Notice of acceptance is waived. The Guarantor does not waive receipt of notice of default on the part of the Franchisor. This guarantee is binding on the Guarantor and its successors and assigns.

In witness whereof, guarantor has, by a duly authorized officer, executed this guaranty at West Palm Beach, Florida, this 22nd day of September, 2025.

ATTEST:



FP Franchising, Inc. (Guarantor)

By: 
Name: Andrew Titus
Title: President

STATE SPECIFIC ADDENDA TO DISCLOSURE DOCUMENT

STATE OF CONNECTICUT

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

STATE OF CALIFORNIA

THE REGISTRATION OF THIS FRANCHISE OFFERING BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT BY THE COMMISSIONER.

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT AT LEAST 14 DAYS PRIOR TO EXECUTION OF AGREEMENT.

OUR WEBSITE, WWW.INTELLIGENTASSISTANT.COM, HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT WWW.DFPI.CA.GOV.

California has a labor law known as California Assembly Bill 5 or “AB5” that governs when someone is classified as an employee or an independent contractor. Your franchise agreement states that you are an independent contractor, but AB5 may mean you are an employee instead. Being an employee may entitle you to minimum wage, sick and family leave, unemployment and workers' compensation, expense reimbursements, protection from retaliation and discrimination, and other benefits given to employees. You should research and consult with an attorney regarding California’s labor laws.

Both the Governing Law and Choice of Law for Franchisees operating outlets located in California, will be the California Franchise Investment law and the California Franchise Relations Act regardless of the choice of law or dispute resolution venue stated elsewhere. Any language in the franchise agreement or amendment to or any agreement to the contrary is superseded by this condition.

Any provision of a franchise agreement, franchise disclosure document, acknowledgment, questionnaire, or other writing, including any exhibit thereto, disclaiming or denying any of the following shall be deemed contrary to public policy and shall be void and unenforceable:

- (a) Representations made by the franchisor or its personnel or agents to a prospective franchisee.
- (b) Reliance by a franchisee on any representations made by the franchisor or its personnel or agents.
- (c) Reliance by a franchisee on the franchise disclosure document, including any exhibit thereto.
- (d) Violations of any provision of this division.

Item 3 of the Disclosure Document is amended to add:

FIRST, A COPY OF THE OFFERING CIRCULAR, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS OFFERING CIRCULAR CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

STATE OF MARYLAND

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

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

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

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

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

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

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

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

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

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

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

STATE OF MINNESOTA

1. Minnesota Statute 80C.21 and Minnesota Rule 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of the franchisee’s rights as provided for in Minnesota Statute 80C or (2) franchisee’s rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

2. With respect to franchises governed by Minnesota law, the franchiser will comply with Minnesota Statute 80C.14 Subd. 3-5, which require (except in certain specified cases)
 - a. that a franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the franchise agreement; and
 - b. that consent to the transfer of the franchise will not be unreasonably withheld.
3. Minnesota considers it unfair to not protect the franchisee’s right to use the trademarks. Refer to Minnesota Statute 80C.12 Subd. 1(G). The franchiser will protect the franchisee’s rights to use the trademarks, service marks, trade names, logotypes, or other commercial symbols or indemnify the franchisee from any loss, costs, or expenses arising out of any claim, suit, or demand regarding the use of the name.
4. Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.
5. The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minnesota Rule 2860.4400(J) also, a court will determine if a bond is required.
6. The Limitations of Claims section must comply with Minnesota Statute 80C.17 Subd. 5.
7. NSF checks are governed by Minnesota Statute 604.113, which puts a cap of \$30 on service charges.
8. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including, fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed with the franchise.
9. The performance of IA’s obligations under the Franchise Agreement has been guaranteed by our affiliate, FP Franchising, Inc. d/b/a Fully Promoted, pursuant to a Guaranty of Performance. The audited financial statements for FP Franchising, Inc. Inc. d/b/a Fully Promoted prepared in accordance with generally accepted accounting principles for the periods ending December 31, 2024, December 31, 2023, and December 31, 2022, are attached as Exhibit D-1 along with a copy of the Guaranty of Performance. Unaudited interim financial statements of FP Franchising, Inc. for the period ending June 30, 2025 are also included in Exhibit D-1.

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

~~“Minn. Stat. Sec 80C.14 Subds. 3, 4, and 5 require except in certain cases that a franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days for non-renewal of the franchise agreement, and that consent to the transfer of the franchise will not be unreasonably withheld.”~~

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

~~“Minn. Stat. Sec 80C.21 and Minn. Rule 2860.440J prohibit us from requiring litigation to be conducted outside of Minnesota.”~~

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

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

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

~~5. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed with the franchise.~~

STATE OF NEW YORK

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

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

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

“Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or affiliate offering franchises under the franchisor’s principal trademark:

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

(ii) No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

(iii) No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the ten-year period immediately preceding the application for registration has been convicted

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

STATE OF NORTH CAROLINA

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

STATE OF NORTH DAKOTA

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

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

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

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

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

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

STATE OF RHODE ISLAND

In recognition of the requirements of the State of Rhode Island Franchise Investment Act §19-28.1 *et seq.*, the Franchise Disclosure Document for IA Franchising, LLC, for use in the State of Rhode Island, is amended as follows:

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

2. Item 17 (v) and (w) shall be amended to read: §19-28.1-14 A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this act.

STATE OF SOUTH CAROLINA

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

STATE OF VIRGINIA

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

STATE OF WASHINGTON

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document, the franchise agreement, and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

1. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.
2. RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.
3. In any arbitration involving a franchise purchased in Washington, the arbitration or mediation site shall be either in the State of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.
4. A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).

DISCLOSURE DOCUMENT RECEIPT

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If IA Franchising, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale or sooner if required by applicable state law.

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

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

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

The Franchisor is IA FRANCHISING, LLC, located at 2121 Vista Parkway, West Palm Beach, FL 33411. Its telephone number is (561) 640-5570.

Issuance Date: August 15, 2025

Franchise Seller: Michael White and/or the Sales Agent(s) listed below, IA FRANCHISING, LLC, 2121 Vista Parkway, West Palm Beach, FL 33411, (561) 640-5570.

I have received a disclosure document issued August 15, 2025 that included the following Exhibits:

- | | |
|---|---|
| A. Franchise Agreement and Applicable Addenda | G. State Administrators and Agents for Service of Process |
| B. Deposit Receipt | H. General Release Agreement |
| C. Multi-Unit Development Agreement and Applicable Addenda | I. Compliance Certification |
| D. Financial Statements | J. Confidentiality and Nondisclosure Agreement |
| <u>D-1. Financial Statements of Guarantor and Guaranty of Performance</u> | K. State Addenda to Disclosure Document |
| E. List of Current and Former Franchisees | L. State Effective Dates |
| F. Operating Manual Table of Contents | M. Disclosure Document Receipts |

DATE: _____
(Do not leave blank)

Print Sales Agent(s) Name(s)

Prospective Franchisee Signature

Prospective Franchisee Printed Name

Prospective Franchisee Signature

Prospective Franchisee Printed Name

Corporate Name: (if applicable)

By: _____
Authorized Corporate Officer Signature

Printed Corporate Officer Name / Title

DISCLOSURE DOCUMENT RECEIPT

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If IA Franchising, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale or sooner if required by applicable state law.

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

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

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

The Franchisor is IA FRANCHISING, LLC, located at 2121 Vista Parkway, West Palm Beach, FL 33411. Its telephone number is (561) 640-5570.

Issuance Date: August 15, 2025

Franchise Seller: Michael White and/or the Sales Agent(s) listed below, IA FRANCHISING, LLC, 2121 Vista Parkway, West Palm Beach, FL 33411, (561) 640-5570.

I have received a disclosure document issued August 15, 2025 that included the following Exhibits:

- A. Franchise Agreement and Applicable Addenda
- B. Deposit Receipt
- C. Multi-Unit Development Agreement and Applicable Addenda
- D. Financial Statements
- D-1. Financial Statements of Guarantor and Guaranty of Performance
- E. List of Current and Former Franchisees
- F. Operating Manual Table of Contents
- G. State Administrators and Agents for Service of Process
- H. General Release Agreement
- I. Compliance Certification
- J. Confidentiality and Nondisclosure Agreement
- K. State Addenda to Disclosure Document
- L. State Effective Dates
- M. Disclosure Document Receipts

DATE: _____
(Do not leave blank)

Print Sales Agent(s) Name(s)

Prospective Franchisee Signature

Prospective Franchisee Printed Name

Prospective Franchisee Signature

Prospective Franchisee Printed Name

Corporate Name: (if applicable)

By: _____
Authorized Corporate Officer Signature

Printed Corporate Officer Name / Title