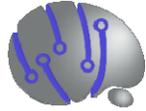


RobotLAB Corp.



RobotLAB Corp.

**ROBOTLAB FRANCHISING, LLC
d/b/a ROBOTLAB CORP**

FRANCHISE DISCLOSURE DOCUMENT

**ISSUANCE DATE: APRIL 1918,
~~2024~~ 2025**

FRANCHISE DISCLOSURE DOCUMENT



RobotLAB Franchising, LLC
A Delaware limited liability company
950 East State Highway 114 STE 160
Southlake, Texas 76092
415-702-3033
Franchise@RobotLAB.com
www.RobotLAB.com

We offer franchises which operate a retail sales business which includes the sale of advanced robots for automated tasks such as food ordering, delivery, cleaning, guidance, cooking and customer interaction in the restaurant, hospitality, assisted-living, warehouse, government, entertainment, education, and medical industries (the “Franchised Business”). We recommend you will operate from a light industrial warehouse with an office, under the “RobotLAB” mark.

The total investment necessary to begin operation of a RobotLAB Franchised Business is **\$156,755** 278,715 to **\$472,265** 543,464. This includes from **\$42,500** 219,150 to **\$169,400** 220,650 that must be paid to the franchisor or its affiliates.

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

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact the Franchise Development Department at RobotLAB Corp via mail at 950 East State Highway 114 STE 160, Southlake, Texas 76092; Tel: **+187-**+187- RobotLAB ; or at Franchise@RobotLAB.com.

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

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

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

Issuance Date: April **19**18, **2024** 2025

Special Risks to Consider About *This* Franchise

Certain states require that the following risks be highlighted:

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation or binding arbitration only in Texas. Out-of-state arbitration may force you to accept a less favorable settlement for disputes. It may also cost more to arbitrate with the franchisor in Texas than in your own state.
2. **Spousal Liability.** At the Franchisor’s request, your spouse must sign a document making your spouse liable for all financial obligations under the Franchise Agreement, even if your spouse has no ownership interest in the franchise. This Guarantee will place both your and your spouse’s marital and personal assets (perhaps including your house) at risk if your franchise fails.
3. **Short Operating History.** The franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.
4. **Sales Performance Required. You must maintain minimum sales performance levels. Your inability to maintain these levels may result in loss of any territorial rights you are granted, termination of your franchise, and loss of your investment.**
4. **5. Supplier Control.** You must purchase all or nearly all of the inventory or supplies that are necessary to operate your business from the franchisor, its affiliates, or suppliers that the franchisor designates, at prices the franchisor or they set. These prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your franchise business.
5. **6. Financial Condition.** The franchisor’s financial condition, as reflected in its financial statements (see Item 21), calls into question the franchisor’s financial ability to provide services and support to you.

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

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

To simplify the language in this franchise Disclosure Document, the franchisor, RobotLAB Franchising, LLC shall be referred to as “RobotLAB Franchising”, “RobotLAB Corp”, “Franchisor”, or “we”, while the individual or entity purchasing the franchised business shall be referred to as “Franchisee” or “you.” If the Franchisee is a corporation, partnership, or other entity, Franchisee or you will refer to all its members, shareholders, and owners.

The Franchisor

We are a Delaware limited liability company organized on January 25, 2023. Our principal place of business is 950 East State Highway 114, STE 160, Southlake, Texas 76092. We do business under our corporate name and under the primary trade name “RobotLAB”. We do not operate a business like the one we offer in this Disclosure Document; we do not conduct any business other than awarding franchises and supporting franchisees. We began offering franchises in April 2023. Our registered agents are disclosed in Exhibit B.

Parents, Predecessors, and Affiliates

We do not have any predecessors or parents.

Our affiliates are:

RobotLAB Inc., a Delaware corporation with a principal business address at 950 East State Highway 114, STE 160, Southlake, Texas 76092, owns certain Marks and intellectual property used in the RobotLAB System, which it licenses to us under a license agreement. RobotLAB Inc. operates a business like the business we offer in this Disclosure Document which will serve as the training and development model for the System.

RobotLAB Financial Services LLC ([“RL Financial Services”](#)) is a Delaware limited liability company with a principal business address at 950 East State Highway 114 STE 160 Southlake, Texas 76092. RobotLAB Financial Services offers financing to both franchisees and end-customers.

RobotLAB Admin LLC (“RL Admin”) is a Delaware limited liability company with a principal business address at 950 East State Highway 114 STE 160 Southlake, Texas 76092. RL Admin offers back-office administration services for franchisees that include payroll, health insurance, commercial insurance, shipping scheduling and coordination, sales tax payments, and other services to RobotLAB Franchisees.

Except as described above, none of our affiliates will provide products or services to our franchisees. None of our affiliates do any other business nor offer franchises in any line of business.

Franchise Offering

We offer and sell franchises that sell advanced robots designed for automated tasks such as [but not limited to, food ordering, delivery, cleaning, guidance, cooking, and customer interaction from a physical retail facility and provide services for these robots which may include installation, deployment, service, and repairs](#) (“Franchised Business”).

You are required to maintain a designated place of business, which is not residential, such as an office, light industrial, or warehouse locations. We recommend a light industrial facility in the operation of your Franchised Business with recommended **retail** space ranging from **1,500 1,000** to 5,000 square feet (as further described in Item 7 below).

ITEM 2.
BUSINESS EXPERIENCE

Chief Executive Officer (CEO): Elad Inbar

Mr. Inbar has served as our CEO since our formation in January 2023. Mr. Inbar has also served as the CEO of all of our affiliates since August 2007 and has continued to the present. Mr. Inbar serves in his current capacities at our offices located at 1900 West Kirkwood Blvd. Suite 5500C, Southlake, Texas 76092.

Vice President of Sales: Cedric Vaudel

Mr. Vaudel has served as our Vice President of Sales since our formation in January 2023. Since September 2016 and continuing through the present, Mr. Vaudel has served as the Vice President of Sales of our affiliate, RobotLAB Inc. [Prior roles for Mr. Vaudel include being the head of U.S. Sales for Aldebaran Robotics and SoftBank Robotics.](#) Mr. Vaudel serves in his current capacities at our offices located at 1900 West Kirkwood Blvd. Suite 5500C, Southlake, Texas 76092.

Chief Operating Officer (COO): Priscilla Eklund

Ms. Eklund has served as our COO since our formation in January 2023. Since January 2015 and continuing through the present, Ms. Eklund has served as COO for our affiliate RobotLAB Inc. Ms. Eklund serves in her current capacities at our offices located at 1900 West Kirkwood Blvd. Suite 5500C, Southlake, Texas 76092.

Director of Consumer Success: Paul Knaack

Mr. Knaack has served as our Director of Consumer Success since our formation in January 2023. Since January 2018 and continuing through the present, Mr. Knaack has served as our Director of Consumer Success. Mr. Knaack serves in his current capacities at our offices located at 1900 West Kirkwood Blvd. Suite 5500C, Southlake, Texas 76092.

Director of Franchise Success: [Craig Tyler](#)[Nick Doll](#)

Mr. [Tyler Doll](#) has served as our Director of Franchise Success since **August of 2023, September of 2024.** Prior to joining RobotLAB Corp **he served as COO from 2017 to 2022 of NexGen Fitness Franchising Corporation. Mr. Tyler , he served as Vice President of Operations Altitude Trampoline Parks, Director of Franchise Support at Buff City Soap, the Franchise Business Manager at Pie Five Pizza, among many other franchise success positions.** Mr. Doll serves in his current capacities at our offices located at 1900 West Kirkwood Blvd. Suite 5500C, Southlake, Texas 76092.

Director of Franchise Development: [Kevin Bryant](#)[RJ Andersen](#)

Mr. [Bryant Andersen](#) is our Franchise Development Director and has held this position since July **2023**[2024](#). He was previously **with GotchaCovered regional manager and senior advisor at United Franchise Group from 2021 to 2023 as , the Director of Franchise Development Director of Jimboy North America. Prior to that, Mr. Bryant served as Franchise Development Director with Alphagraphics Franchise Group from 2019-2021. Mr. Bryant** [Mr. Andersen](#) serves in his capacities at our offices located at 1900 West Kirkwood Blvd. Suite 5500C, Southlake, Texas 76092.

Vice President of Research & Development: Anna Inbar

Since August 2011 and continuing through the present, Ms. Inbar has served as the Vice President of Research & Development for our affiliate, RobotLAB Inc. Ms. Inbar serves in her current capacities at our offices located at 1900 West Kirkwood Blvd. Suite 5500C, Southlake, Texas 76092.

ITEM 3. LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4. BANKRUPTCY

No bankruptcies are required to be disclosed in this Item.

ITEM 5. INITIAL FEES

Franchise Agreement

When you sign your Franchise Agreement, you must pay to us a non-refundable **deposit of \$25,000 franchise fee** to start onboarding you as a franchisee and reserve your Protected Territory; **the remainder of the Franchise Fee (as defined in this paragraph) is due 45 days after the signing of the Franchise Agreement and is considered fully earned by us upon payment.** ~~The initial franchise fee is calculated at a rate equal to \$6.8625 per Qualified Business in a “Block”, which means your first Block requires a minimum initial franchise fee of \$54,900 (the “Franchise Fee”).~~ Your total Franchise Fee is based on the number of Blocks, each equal to 8,000 Qualified Businesses (as defined in Item 12) in your Protected Territory. The minimum size of your Protected Territory is one Block. ~~The initial franchise fee is calculated at a rate equal to \$6.8625 per Qualified Business in a Block, which means your first Block requires a minimum initial franchise fee of \$54,900 (the “Franchise Fee”). The Franchise Fee is not refundable, in whole or in part, under any circumstances.~~ **The initial Franchise Fee** described above is calculated and applied uniformly to all our franchisees. ~~The Franchise Fee is not refundable, in whole or in part, under any circumstances and is considered fully earned by us upon payment.~~

During the ~~2023~~ **2024** fiscal year we received franchise fees ranging from \$49,410 to \$133,900, which were based on the Blocks purchased by franchisees.

Equipment Package / Initial Inventory

Upon signing the Franchise Agreement, you will also purchase your Equipment Package and pay us **or our affiliate** a lump sum **ranging from of \$15,000 (if financed) to \$110,500**~~154,750~~, as described below (“Equipment Package Fee”). The Equipment Package Fee is calculated per Block in your Protected Territory. The robot or robots , and quantity of robots, we include in the Equipment Package may change from time to time and will be updated based on the current market requirements, software updates, and product availability. The robots in the Equipment Package are your initial inventory, and are yours to sell, not just demo to customers. Once you sell a robot, you will need to purchase another robot (doesn’t have to be the same unit) in order to be able to go to other customers and keep demonstrating robots and closing deals). Although you start with a limited number of robots, you get full access to our entire current and future catalog, and you can purchase any robots at the set discount.

The Equipment Package includes the cost of a combination of robots across multiple segments including cleaning, delivery, and customer service, which will allow you to demonstrate robots to your customers; a “Marketing Kit” that includes your initial supply of brochures, product catalogs, roll-up banners, branded tablecloths, RobotLAB branded apparel, business cards, office signage, and **RobotLAB branded packing tapes, and** initial software setup fees for owner access (collectively, the “Equipment Package”). These **templates materials** will be used in the initial start-up phase and relied upon to promote and market your Franchised Business. The Equipment Package Fee is non-refundable but is not uniform across franchisees.

Through our affiliate, RobotLAB Financial Services, we offer financing for your Equipment Package on the terms detailed in Item 10. If you choose to finance your Equipment Package Fee through RobotLAB Financial Services, you will be required to make a minimum \$15,000 down payment, plus 36 monthly payments of \$3,400. You may also have the option of financing the Equipment Package Fee through third party financing vendors.

Initial Training Fee

We will provide you with the Initial Training Program as described in Item 11 of this Disclosure Document. You must pay us a fee equal to \$7,000 which covers your initial trainees. You will be responsible for travel, lodging, and expenses for attending training. Attending additional training sessions will be free of charge.

Mastering Stage Presence Training

You will be required to attend a Mastering Stage Presence training program. We estimate the cost of the program to be between \$2,500 - \$4,000 per attendee. Your owner and every general manager you may employ are required to attend. The fee you pay for stage presence training is non-refundable, paid in a lump sum, and uniform for all franchisees.

Fees Due

The Franchise Fee is due upon execution of the Franchise Agreement. All other fees contemplated in the Item 5 are due at the earlier of (i) 45 days after the signing of the Franchise Agreement, or (ii) prior to the commencement of training. Each of the fees and packages above are calculated uniformly, are nonrefundable, and are deemed earned upon payment.

ITEM 6. OTHER FEES

Type of Fee ¹	Amount	Due Date	Remarks
Royalty Fee	7% of all your Gross Revenue ²	Per Transaction <u>transaction</u>	We will deduct this fee from the revenue we collect through our centralized payment systems prior to distributing the balance to you.
Brand Fund Contribution	Up to 3% of Gross Revenue. Currently <u>1%</u> of Gross Revenue	Same as Royalty	The purpose of the Brand Fund is to support general development and recognition of the RobotLAB brand. We will deduct this fee from your revenue we collect through our centralized payment systems, prior to distributing the balance to you. We may specify a different Brand Fund contribution, not to exceed 3% of Gross Revenue, upon notice to you.
Local Area Marketing Requirement	Currently, a minimum of 3% of Gross Revenue. May be increased to a maximum of 5% of Gross Revenue.	Monthly <u>Per transaction or monthly</u> , as incurred.	You will pay us, and we will perform: 1. At least one local event for your Protected Territory, annually; 2. Dedicate a cold-calling campaign to drive leads and appointments for your Protected Territory; 3. Establish a pass-through lead program for all leads and appointments we get in your Protected Territory, <u>;</u> 4. Invite you to attend shows and conferences with us, if they are in your Protected Territory, <u>;</u> 5. Grant you access to nation-wide corporate accounts we have relationships with, <u>;</u> 6. Run Social Media campaigns on your behalf, <u>;</u> and 7. Assign existing customers to you, and pay you for the remainder time on their contract for services they paid us to perform. We recommend you <u>You should</u> spend additional amounts on your own to local vendors and media outlets. <u>We may specify a different Local Area Marketing fee, not to exceed 5% of Gross Revenue upon notice to you.</u>

Type of Fee ¹	Amount	Due Date	Remarks
Audit Expenses	Cost and expenses related to audit	As invoiced after inspection or audit	Payable only if understatement is greater than 1%. <u>You must submit unaudited P&L reports to us no later than 30 days from the end of each quarter. If there is reasonable uncertainty about the validity of the P&L we may have it audited.</u>
Renewal Fee	Whichever is greater: (i) \$10,000, or (ii) 25% of the then current franchise fee, per Protected Territory	Upon submitting notice of renewal	In addition to payment of the Renewal Fee, you must meet certain conditions to renew your Franchise Agreement. See Item 17 for more information on renewal of your franchise agreement.
Technology Fees	Currently <u>a base \$485 794, plus \$161</u> per person in your organization with an email address or access to any of the online systems, per month	Monthly	Due by the 5 th day of every month. Subject to change upon 30 days written notice to you. There is no maximum we can charge you, <u>but we will not unilaterally increase the fee more than 50% annually.</u> As you add employees, we will increase your Technology Fee <u>will increase</u> accordingly. This fee gives you and your employees access to all systems REQUIRED to run your Franchised Business, <u>including that may include, but not limited to:</u> CRM software such as Salesforce, accounting, marketing, lead- and deal-nurturing automation, dialers and text messaging, online meetings, internal communication, online learning system, task management, customer support and ticketing, Microsoft Office suite, digital contract signing and event management.
Employee Laptops	\$1,500 each	<u>Upon Before initial training, per attendee, and upon onboarding a new employee.</u> (Creation of a new email address)	We require you to purchase from us or our affiliate a new laptop with preloaded programs for each new employee. This will ensure all systems we use are configured correctly, and employees do not waste time and resources on wrong configurations. <u>Laptops are not under RobotLAB® warranty, and any issues should be processed under manufacturer warranty. We save you time installing and configuring the laptop, systems, and logins to all platforms, during training.</u>
<u>Sales Tablet</u>	<u>\$450 each</u>	<u>Before initial training</u>	<u>We require you to purchase a tablet which we will preload with case study videos you can show customers, like robots working in different environments, and pre-load credit card processing software on the tablet, allowing you to charge customer credit cards directly.</u>

Market Cooperative Contribution	Currently not assessed; capped at a maximum of 5% of Gross Revenue.	As determined upon implementation. Currently there is no Cooperative, but we reserve the right to implement one in the future, implemented by us or the franchisees.	Not currently assessed. If the Franchisor forms a regional advertising or brand awareness co- <u>co-op</u> , you must contribute to the co-op. Any amount you must contribute to the co-op will be credited against the required local advertising expenditure. Any Franchisor-owned outlets shall be treated equal to a franchisee outlet as it relates to voting power and <u>Currently there is no Cooperative, but we reserve the right to implement one in the future, whether implemented by us or the franchisees.</u>
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Type of Fee ¹	Amount	Due Date	Remarks
			<u>Any Franchisor-owned outlets shall be treated equal to a franchisee outlet as it relates to voting power and implementing fees.</u>
Centrally Managed Key Account Fee (for sales not initiated by you)	10% of the contract amount <u>in your territory</u> , including all future service revenues, is due to you if you choose to perform the services, <u>minus the royalties due</u>	Same as Royalty Fee	<p>We may manage or provide support services to national and/or regional accounts (“Key Accounts”) that require centralized overview and support, and for purposes of responding to requests and referrals for services through the franchise system, managing those relationships, answering calls placed to the toll-free number or a national account on-line access system. You must have our prior approval to provide services to any Key Accounts.</p> <p><u>By default, you have to opt-in to participate in a national account that we centrally manage, and you may only do so if you have all relevant approved robots and have completed training for each. If you participate in the account, you are required to follow the pricing and service level agreed with the account.</u></p>
Locally Managed Key Account Fee	You will pay 5% from the initial invoice amount for customers in your Territory, to the entity that closed <u>opened</u> the Key Account deal	Same as Royalty Fee	We apply this fee when we <u>or other franchisees</u> enter into a contract with a Key Account, but the contracts are managed locally at the location where you will service customers.
Insurance	Actual costs	Upon request by third- third- party insurance company or directly to RobotLAB	If not facilitated by RobotLAB Admin, payable to third-party insurance provider or if you fail to pay your insurance premium to a third-party insurance company and we pay it on your behalf. Or, in the future event that we aggregate the insurance needs of our franchisees and serve as the broker or provider. See Note 7 below.
Interest Expenses	Lesser of: (i) 18% per year, or (ii) maximum rate allowed by law	When due	Payable if any fee or other amounts due are not timely paid.

Encroachment Fee	You will split the profits <u>Gross Profits</u> , 50/50, of sales outside your Protected Territory with either us or the encroached franchisee. You will be solely responsible for all expenses associated with any such sales.	Same as Royalty Fee	<p>You will be required to obtain our written approval before marketing and/or selling to customers outside your Protected Territory, including to Key Accounts, which operate outside your Protected Territory. <u>You will be solely responsible for all expenses associated with any such sales.</u></p> <p>Imposition of such fees are based upon the facts leading up to the alleged encroachment and the determination of whether to charge such fees will be at our sole discretion. See Note 5 below.</p> <p>You should not incur more than one Encroachment Fee in every calendar year. If you do, you will be</p>
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Type of Fee ¹	Amount	Due Date	Remarks
			considered as breached your territory agreement, and may subject to agreement termination. <u>“Gross Profits” equals your Gross Revenue minus the cost of goods sold for the products and services sold.</u>
Costs and Attorneys’ Fees	Actual costs	When incurred	We shall recover costs and reasonable attorneys’ fees if we ultimately prevail in a dispute.
Indemnification	Actual costs	Upon the settlement or conclusion of the claim(s) or action(s).	The costs apply to any and all claims filed and pursued by either party, whether through arbitration or litigation.
Credit card processing fee	3.9% of total amount debited	When due, and same as Royalty Fees	Fees will apply if we debit your credit <u>or debit</u> card for any payment to us, <u>or if a customer chooses to pay using a credit or debit card.</u>
Replacement/ Additional Training Fee	<u>\$7,000 training fee will be assessed prior to attending the initial training.</u> Currently, we do not require an additional fee <u>for retraining or additional training.</u>	Prior to attending training	You, your members, and one key employee shall be able to attend the initial training program at no cost, except that you shall be responsible for expenses associated with travel and lodging. We may in the future, but currently do not, charge for your replacement or additional trainees. <u>We require franchisee and any member of the team to attend the initial training, additional or retraining can be required by us at any time in our facility. There is no additional charge for the retraining or additional training. Franchisee is responsible for travel, lodging and per diem expenses for themselves or their employees during all trainings.</u> <u>We acknowledge this is a family business, and we welcome, free of charge, any first-degree family members, including children 14 years old and older, to join us for any training and events.</u>
<u>System Non-Compliance Fee</u>	<u>\$500 per instance</u>	<u>Upon invoicing</u>	<u>We may fine you if you do not follow the policies and procedures we provide you in the various manuals.</u>
<u>Equipment Storage Fee</u>	<u>\$750 per month</u>	<u>Upon invoicing</u>	<u>You must have paid for the Equipment Package in full and taken delivery or your equipment within one month of your completing training (“Delivery Deadline”). If you have either not paid the Equipment Package Fee in full or have not scheduled your delivery by the Delivery Deadline, we will store your equipment package and charge you an Equipment Storage Fee each 1st of every month starting from the first 1st of a month following the end of training and continuing until your equipment package is shipped.</u>

Type of Fee ¹	Amount	Due Date	Remarks
End-Of-Year Summary and New Year Kick-Kick-Off Franchise Owner Summit & Attendance Fee	Up to \$750 per attendee	Prior to each Franchise Owner Summit	All Franchisee team members (sales, marketing, technicians, ownerowners , etc.) must attend each Summit (1 per calendar year) at our HQ, or at a place of our choice. If Franchisee personnel cannot attend in person, they must join all sessions remotely. Franchisee must pay to Franchisor an amount equal to the attendance fee for each attendee, regardless of if in person or online. Other additional costs (such as room, board, and travel) are the responsibility of the Franchisee. We welcome, free of charge, any first-degree family members, including children 14 years old and older, to join us for any training and events. We may adjust this fee to match cost of living increases over the term of the agreement.
Approval of Supplier Fee	Reasonable cost of examination and approval of a supplier, requested by Franchisee	Prior to examination	See Section 8(D) in the franchise agreement.

Notes:

1. Except where otherwise noted, all fees are payable to us, are uniformly imposed, and are non-refundable. We require you to allow us to withdraw Royalty Fees, Brand Fund Contributions, Technology Fees, and other fees directly from customers’ payments, and if that is not sufficient, from your bank account. All new franchisees are required to pay the percentage rate or the flat fee at the designated time, as stated in this Disclosure Document.

2. “Gross Revenue” means the total amount of all revenues Franchisee receives from the sale of goods and services, whether for cash or by check, credit card, electronic transfer, or trade, in connection with the Franchised Business, less customer refunds and returns. Gross Revenue will include any sales permitted through the internet and wholesale transactions involving any party other than a RobotLAB® franchisee who is in good standing with Franchisor. Gross Revenue will not include sales tax collected from customers and actually paid to [the](#) appropriate tax authorities.

3. You must pay us a transfer fee equal to the greater of: (i) \$10,000 or (ii) 25% of our then-current Initial Franchise Fee per Block that is being transferred to transferee. If a third-party broker locates the transferee, you will also be solely responsible for any broker fees associated with the transfer. There are other conditions for transfer and all conditions must be met before the transfer is approved by us. See Item 17 in this Disclosure Document for additional information regarding transfer.

4. The technology fees cover technology-related services provided by us or approved third-party vendors including, but not limited to, services related to our intranet and extranet platform, current and future digital and on-line training platforms, current and future social and digital media management platforms, email and Microsoft Office suite licenses, marketing software, DocuSign licenses, **point-of- point-of-sale** and customer retention software costs and upgrades to the antivirus and database engine software that [supports the software \(“Technology Fees”\). The Technology Fees are mandatory and are per franchise and additionally, per employee and contractor per month.](#)

supports the software (“Technology Fees”). The Technology Fees are mandatory and are per **employee per month.**

**ITEM 7.
ESTIMATED INITIAL INVESTMENT**

A. Your Estimated Initial Investment - Single Unit Territory RobotLAB® Franchised Business

TYPE OF EXPENDITURES ¹	AMOUNT		METHOD OF PAYMENT	WHEN DUE	TO WHO PAYMENT TO BE MADE
	LOW ESTIMATE	HIGH ESTIMATE			
Initial Franchise Fee ²	\$54,900	\$54,900	Lump sum	When you sign the Franchise Agreement	Franchisor
Initial Training Fee³	\$7,000	\$7,000	Lump sum	Earlier of 45 days after you sign the FA or prior to initial training	Franchisor
Stage Presence Training⁴	\$2,500	\$4,000	As incurred	Earlier of 45 days after you sign the FA or prior to initial training	Franchisor
Equipment Package / Initial Inventory⁵	\$154,750	\$154,750	Lump Sum	Earlier of 45 days after you sign the FA or prior to initial training	Franchisor
Travel and Living Expenses For Training³ Training⁶	\$500	\$7,500	As arranged	As incurred	Airlines, hotels, restaurants
Stage Presence Training⁴	\$2,500	\$4,000	As incurred	Prior to initial training, and when onboarding a new General Manager or owner	Franchisor or Third-party Supplier
Rent (3 months) ⁵ months ⁷	\$7,500	\$15,000	As arranged	According to Lease	Lessor/Landlord
Leasehold Improvements ⁶ Improvements ⁸	\$0	\$15,000	As Arranged As arranged	According to Lease	Lessor/Landlord
Furniture and Fixtures ⁷ Fixtures ⁹	\$2,000	\$45,000	As arranged	As incurred	Third-party Supplier
Equipment Package Fee⁸	\$25,200	\$110,500	Lump Sum	Down payment due when you sign the Franchise Agreement	Franchisor

Grand Opening Marketing ⁹ Marketing ¹⁰	\$ 15,000 2,000	\$15,000	As arranged	As incurred	Third-party Suppliers or if you fail to required start 30 days prior opening
Computer Systems ¹⁰ Systems ¹¹	\$ 4,500 1,500	\$8,000	Lump sum	As incurred	Third-party suppliers Franchise
Technology Fees Fee (3 Months) ¹¹ 3 Months ¹²	\$ 1,455 2,865	\$ 4,365 4,314	As incurred	As incurred	Franchise
Business Supplies ¹² Supplies ¹³	\$1,500	\$3,000	As arranged	Before training	Third-party suppliers
Insurance ¹³ Insurance ¹⁴	\$1,500	\$7,500	As arranged	Before training	Insurance Company Affiliate Company
Business Licenses and Permits ¹⁴ Permits ¹⁵	\$500	\$2,500	As arranged	As incurred	Government Agencies
Professional Fees ¹⁵ Fees ¹⁶	\$3,000	\$10,000	As arranged	Before opening	Attorney, Accountant etc.

<u>TYPE OF EXPENDITURES¹</u>	<u>AMOUNT</u>		<u>METHOD OF PAYMENT</u>	<u>WHEN DUE</u>	<u>TO WHOM PAYMENT IS TO BE MADE</u>
	<u>LOW ESTIMATE</u>	<u>HIGH ESTIMATE</u>			
Vehicle ¹⁶ Vehicle ¹⁷	\$11,700	\$75,000 \$95,000	As incurred	Before opening	Third-party suppliers
TYPE OF EXPENDITURES¹	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE	
	LOW ESTIMATE	HIGH ESTIMATE			
Vehicle Retrofitting ¹⁷ Retrofitting ¹⁸	\$0	\$20,000	As incurred	Before opening	Third-party suppliers
Additional Funds - 3 Months ¹⁸ Months ¹⁹	\$25,000	\$75,000	As incurred	As incurred	Employees or third-party suppliers
TOTAL¹⁹TOTAL²⁰	\$156,755 \$278,715	\$472,265 \$543,464			

Notes:

1. Except where otherwise noted, all fees that you pay to us are nonrefundable. Refund related questions related to third-party lessors, contractors, suppliers, and vendors will be governed by the terms of each of those respective contracts. All amounts are in United States Dollars (USD).

2. Initial Franchise Fee. The minimum initial Franchisee Fee is \$54,900 and includes one Block. The Franchise Fee is non-refundable and is deemed earned upon receipt. [See Item 5.](#)

3. Initial Training Fee. You will be required to pay us the Initial Training Fee as described in Item 5.

~~3. Travel and Living Expenses For Training. This amount includes lodging, meals, and travel expenses for two persons attending the initial training program onsite at our headquarters (see Item 11). However, please note that we may substitute live, in-person training with virtual training, in our sole discretion, in which case the estimated expenses may be less.~~

4. Stage Presence Training. You will be required to attend a stage presence training program. We estimate the cost of the program to be \$2,500 per attendee. Your owner and General Manager shall be the initial required attendees. You may pay us to organize the training on your behalf or we may require you to contract with our required third-party supplier for conducting the training program.

5. Equipment Package / Initial Inventory. Upon signing the Franchise Agreement, you will pay us a lump sum Equipment Package Fee. The Equipment Package is further described in detail in Items 5, 11, and in the Franchise Agreement (found in Exhibit E).

6. Travel and Living Expenses For Training. This amount includes lodging, meals, and travel expenses for two persons attending the initial training program onsite at our headquarters (see Item 11). However, please note that we may substitute live, in-person training with virtual training, in our sole discretion, in which case the estimated expenses may be less.

7. **5. Rent (if applicable).** You are required to rent or lease a designated non-residential facility to be used for the operation of your Franchised Business. The price will vary considerably depending on the following factors, including but not limited to the market, location, square footage (we recommend a minimum of 1,000sqft and around 1,500sqft), age of the property, condition of the structure, rent or lease arrangements, and other such factors. This estimate is based on our knowledge of rent expenses in Dallas, Texas [area](#) for light industrial office space. You will be required to use a virtual office service as your main, public address for safety and security.

8. **Leasehold Improvements.** Leasehold improvement costs, including floor covering, wall treatment, counters, ceilings, painting, window coverings, electrical, carpentry, and similar work. Architect's and contractor's fees are included in this range and will depend on various factors, including: (i) the site's condition, location, and size; (ii) the demand for the site among prospective lessees; (iii) the site's previous use; the build-out required to conform the site for your Franchised Business; and (iv) any construction or other allowances the landlord grants. The lower figure, \$0, provided here under "Leasehold Improvements"

assume that you occupy an existing building that has previously been utilized as a light industrial space and do not require any leasehold improvements. Construction of a new building on a pad site or otherwise likely would require a greater initial investment, the amount of which would depend on market conditions.

Your actual costs will depend on, among other factors, the Franchised Business location, the size of the property, the condition of the premises being remodeled, national and local economic factors, the local costs of material and labor, and the amount of tenant improvement allowances that you are able to obtain, if any. In certain major metropolitan markets such as Boston, Chicago, New York, Los Angeles, San Francisco, Seattle, and Washington, D.C., costs may be higher due to local market rates for materials and labor.

9. **7.Furniture and Fixtures.** This estimate includes the furniture and fixtures needed in your facility including, office furniture, tables, chairs, artwork, and signage.

~~**8.Equipment Package Fee.** Upon signing the Franchise Agreement, you will pay us a lump sum Equipment Package Fee. The low end contemplates you finance the Equipment Package through us, with a \$15,000 down payment and \$3,400 per month payments for 36 months, which is a 9.7% interest rate. More information regarding the financing terms can be found in Item 10 and in the sample Equipment Financing Agreement attached to this FDD. The high end contemplates you purchase the Equipment Package outright. The Equipment Package is further described in detail in Items 5, 11, and in the Franchise Agreement (found in Exhibit E).~~

10. **9.Grand Opening Marketing.** These estimates include the cost of recommended advertising and marketing strategies and preparing your location utilized during the commencement of your Franchised Business, as outlined in the Manuals. These estimates may include, but are not limited to hosting the event, catering attendees, SEO, SEM, radio, billboard, TV/cable, RobotLAB treatments, car-wrap, and other advertising platforms, which will largely depend on the market, market pricing structure and demand, and availability. All initial advertising and marketing , and your location preparation and grand opening readiness, require final approval from us prior to the opening of your Franchised Business. You will be required to join at least one chamber of commerce in your territory at least 45 days prior to grand opening.

11. **10.Computer Systems.** You must use the Computer Systems (defined in item 11) and computer hardware, and printer, which we have approved in the Manuals for the operation of your Franchised Business. We have included the cost for your initial two (2) required laptops and one (1) required sales tablet, and configuration and installation services to conform with our current computer system requirements. This may require you to obtain a license for the Computer Systems from a third-party Approved Supplier or directly from RobotLAB (See Item 11 for more detailed information).

12. **11.Technology Fees.** The Technology Fees are mandatory, and cover technology-related services provided by us or approved third-party vendors including, but not limited to, services related to our intranet and extranet platform, current and future digital and on-line training platforms, current and future social and digital media management platforms, point-of-sale and customer retention software costs and upgrades to database engine software that supports the software. As of the date of this Disclosure Document, we charge a base fee of \$485 794 per franchise for software access, plus \$161 per franchisee team member, per month. You are required to pay for at least one employee on top of your base fee. The high end reflects beginning with three (3) team members. However, we may modify the Technology fees with a minimum of 30 days prior written notice and will not increase the Technology Fees by more than 50% each year.

13. **12.Business Supplies.** This amount includes your supplies and inventory necessary to operate the Franchised Business. Your exact investment depends on several factors, including but not limited to your sales volume, relevant inventory levels, transportation costs, financing costs, and similar

factors beyond our control. The cost of supplies will increase as your client base and staff grow.

14. **13.**Insurance. You must purchase and maintain insurance in the types and amounts described in the Franchise Agreement or Manual. This estimate covers three months' premiums for workers' compensation and commercial liability insurance. Your cost of insurance may vary depending on the insurer, the location of your Business, your claims history, and other factors. You must provide certificates of insurance evidencing coverage which lists us as additional insured, to us on an ongoing basis.

15. **14.**Business Licenses or Permits. This amount contemplates the costs of obtaining required business licenses and permits to begin operations of your Franchised Business. This estimate is based on our experiences with business licenses and may vary depending on state and local requirements.

16. **15.**

17. **16. Professional Fees.** This estimate includes the costs of professional advisors (i.e., attorneys and accountants) for the initial review and advice consistent with the start-up of a Franchised Business.

18. **17. Vehicle.** This estimates the costs associated with the purchase and modification of an approved vehicle from our approved suppliers. Your approved vehicle must be properly equipped with an approved vehicle wrap, light bar, two-way camera, and any other specifications we may require. The low end represents a down payment of \$7,500 and three (3) monthly payments of \$1,400 per month. The high end contemplates you purchased the vehicle in full. This is an estimate, and your actual lease cost will depend on your credit score and sales and use tax in your area.

19. **18. Vehicle Retrofitting.** You will be required to have a vehicle with certain equipment that meets the needs of a RobotLAB Franchised Business. If you lease your vehicle from our approved vendor, you will not be required to retrofit your vehicle. The high end contemplates that your vehicle will need all modifications we require. We will provide you the specifications in our Manuals. Choosing to retrofit the vehicle yourself will incur costs that are beyond our control, such as adjusting the wrap to your vehicle of choice, hiring a company to wrap it, and installing the lift gate to our specifications, among other expenses. Our approved vendor provides road-ready vehicles as the costs estimated above.

20. **19. Additional Funds (3 Months).** This category estimates your pre-operational expenses that are not listed in other categories, as well as any additional funds necessary for the first three (3) months of operational expenses for your Franchised Business, including but not limited, to royalties, employee wages, salaries, payroll taxes, health and workers' compensation, benefits, and staff recruiting expenditures (including payroll to cover the grand opening promotional period and pre-opening training period for your staff); additional legal and accounting fees, additional advertising and marketing, insurance, bank charges, additional supplies and equipment, state tax and license fees, deposits, prepaid expenses, and other miscellaneous expenditures.

21. **20. Total.** We developed these estimates based on our management team's experience in the Southlake, Texas area. Except as expressly indicated otherwise, these estimates cover your initial cash investment up to the opening of your Franchised Business and for a period of three months thereafter. They do not provide for your cash needs to cover any financing incurred by you or for other expenses not previously discussed above. You may need more capital to run your business before you start closing deals. We are SBA approved and can introduce you to a broker who can help you apply for an SBA loan.

None of the estimated expenditures listed in the table are refundable, except (i) utility deposits are usually refundable, and (ii) lease security deposits may be refundable. The availability and terms of financing will depend on many factors, including the availability of financing generally, your creditworthiness, other security that you may have, and policies of lending institutions concerning the type of business being operated by you. **Except as disclosed under the "Equipment Package" description above, we We do not finance any part of your initial investment.**

ITEM 8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You must operate your Franchised Business in accordance with the System that we license to you. The System's standards and specifications relating to the establishment, operation, and regulation of your Franchised Business, include but are not limited to, goods, services, supplies, items, equipment, inventory, and real estate fixtures; computer hardware, software, search engine optimization services, client survey services; marketing materials, advertising and sales collateral, use of signs, letterhead, business cards, and other promotional materials; credit card processing services; insurance providers; vehicle manufacturers (including make and model); and all other manufacturers and distributors used in operating your Franchised Business.

You may not contact other robot manufacturers directly and are required to enter all purchase orders from us using the Computer System. Purchasing, leasing, renting, bartering, or trading any products directly with

manufacturers will be considered an incurable breach of the Franchise Agreement, which will lead to immediate termination of the Franchise Agreement.

We may negotiate programs with manufacturers and suppliers so that franchisees may benefit from volume purchasing and prepaid freight programs. As part of those negotiations, it is possible that we will receive rebates or other material consideration from the vendor related to required purchases made by our franchisees. We may choose to pass such rebates on to the Brand Development Fund, or directly to you, but are not required to do so. We do not currently provide any material benefits to a franchisee based on a franchisee’s purchase of any particular or services or use of particular suppliers. **As we have just begun**

franchising, we have not received any revenue in the form of rebates based upon our franchisees’ required purchases of goods or services, but we reserve the right to do so in the future.

Third party vendors may charge franchisees directly for products or services. The System’s standards and specifications are based upon our experience within the franchising industry and with various vendors, contractors, and suppliers in the robotics industries. We will provide you with a list of our approved suppliers (“Approved Suppliers”). We retain the sole and absolute discretion to make the final determination on all Approved Suppliers, however, we will consider supplier approval requests from franchisees upon written request. We will approve or disapprove a supplier in writing within 30 days after we receive written notice from you. All suppliers you use must be approved by us before you can use them and may be subject to our training and reporting requirements. Upon your providing notice, we will make available our evaluation criteria to you and your proposed supplier. We may charge you a reasonable fee to cover the cost of evaluating a new supplier. The fee will vary by the product or supplier being reviewed and the extent to which we need to evaluate the new product or supplier.

Insurance. You must obtain insurance as described in the Franchise Agreement and in our Manual, which currently specifies:

Policy	Policy Limits/Description	Required or Recommended
General Liability	\$1,000,000 per occurrence/\$2,000,000 aggregate with the minimum sub-limits must be met: \$1,000,000 Personal & Advertising Injury, \$2,000,000 Products/Completed Operations Aggregate, \$300,000 Damage to Rented Premises and \$10,000 Medical Expense	Required
Owned, Hired & Non-Owned Auto Liability	Minimum \$1,000,000 combined single limit each accident	Required
Workers Compensation and Employers Liability	Minimum limits no less than \$500,000 per accident for bodily injury by accident; \$500,000 policy limit by disease; and \$500,000 per employee for bodily injury by disease or as required by law in your state	Required (if state law requires)
Professional Liability	\$1,000,000 per occurrence/\$1,000,000 aggregate, on an occurrence basis	Required
Special Form property insurance	An amount appropriate to coverage full replacement value of contents. Business Income and Extra Expense must be included on an actual loss sustained basis for a minimum of 12 month	Recommended
1st and 3rd Party Crime	No less than \$25,000 (this requirement can be satisfied with a bond)	Recommended

Your policies (other than workers' compensation) must list us and all our affiliates as an additional insured, must include a waiver of subrogation in favor of us and our affiliates, must be primary and **non-non-contributing** with any insurance carried by us or our affiliates, and must stipulate that we receive 30 days' prior written notice of cancellation. Policy and coverage level deductibles shall not exceed \$5,000 for any coverage required unless a written waiver is granted by us. All insurance companies must carry an A.M. Best's Rating of "A-/Excellent" or better.

We or our affiliates are Approved Suppliers for certain items you are contractually obligated to purchase in the operation of your Franchised Business. RobotLAB Corp, its officers and/or persons affiliated with us, may now or in the future own an interest in **RobotLAB RL** Financial Services **and RobotLAB Admin**, both of which **are is an** Approved **Suppliers Supplier** of certain items of the System. Ownership interest in any Approved Supplier may include RobotLAB Corp, our officers, our members, our shareholders, and/or persons affiliated with us. Approved Supplier items include, but shall not be limited to, the Equipment Package computer hardware, software, collaboration and communication services, telephone, information management, credit/debit card processing, criminal history background checks, email marketing, online accounting, virtual phone platforms, and client online surveys.

To ensure a uniform image and quality of products and services in operating your Franchised Business and to maintain continuity, you must maintain the standards and specifications of the System in accordance with the Manuals. You must comply with our then-current approved standards and specifications, as detailed in the Manuals, in operating and equipping your Franchised Business. You must use the equipment, including the hardware and software programs for the Computer System that we designate, as well as the signs, items, furnishings, products, supplies, and advertising and sales promotion materials which meet our standards and specifications. In addition, you may sell from your Franchised Business only those products and services that we approve. We periodically publish in the Manuals a list of approved product categories for use by franchisees in the operation of their Franchised Business. We may periodically update and alter these categories of products and services you may sell from your Franchised Business. Our Manuals currently establish standards and specifications for advanced commercial robots, as well as other products and services sold in your Franchised Business. If our Approved Suppliers require you to purchase any products or services, you are required to obtain the required products and services to ensure continued operation of your business and products.

The products or services we require you to purchase or lease from us or Approved Suppliers, in accordance with System's standards and specifications, are referred to collectively as "Required Purchases". We estimate that your Required Purchases in total will be about 40-50% of your total purchases to establish the Franchised Business and about 75-90% of your purchases to continue the operation of your Franchised Business. Please be advised that these percentages do not include any possible lease payments that you may make in connection with your Franchised Business.

We and our affiliates may provide certain administrative, technical, design, and advisory services and data to a limited number of Approved Suppliers and other suppliers. We and/or our affiliates may negotiate supply contracts with our Approved Suppliers or other suppliers under which we are able to purchase products, equipment, supplies, services, and other items at a price that will benefit us and our franchisees. We and/or our affiliate(s) may receive payments or other compensation from Approved Suppliers or any other suppliers on account of these suppliers' dealings with us, our affiliates, you, and other RobotLAB® franchisees. These payments or compensation may come in the form of barter, cash, credit (regardless of collection), rebates, allowances, commissions, or any other forms of compensation. We may use any amounts that we receive from Approved Suppliers and other suppliers for any purpose that we deem appropriate from any and all transactions with RobotLAB® franchisees in the operation of their Franchised Business. We currently do not participate in, nor have we negotiated any purchasing or distribution cooperatives.

During the **2023** 2024 fiscal year, we earned **\$584,957** \$3,496,966 in total revenue, **\$442,272,827,392**, or **75.681%**, of our total revenue was derived from all required franchisee leases or purchases. During the **2023** 2024 fiscal year, our affiliate, RobotLab Inc., earned **\$14,485,766** 13,594,190 in total revenue, **2.613.69%** of which was derived from required franchisee leases or purchases. During the **2023** 2024 fiscal year, our **affiliates RobotLab Admin and RobotLab Financial Services, did not earn any revenue.**affiliate RobotLab Financial, earned \$317,613 in total revenue and 0.93% of that total was earned from franchisee required purchases.

**ITEM 9.
FRANCHISEE’S OBLIGATIONS**

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

Obligation	Section in Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	Franchise Agreement (FA) Sections 7(A) and 8(O)	Item 11
b. Pre-opening purchases/leases	FA Sections 4(B), 6(C) and 8(D), (O) and (P)	Items 5, 7, and 8
c. Site development and other pre-opening requirements	FA Section 8(B)	Items 6, 7, and 11
d. Initial and ongoing training	FA Sections 7(D) and 8(L)	Items 6, 7 and 11
e. Opening	FA Sections 8 and 15(A)(1)	Item 11
f. Fees	FA Sections 2(B)(4), 4, 5, 6, 8(P), 8(Q) and 14(C)(6)	Items 5, 6, 7, and 11
g. Compliance with standards and policies/ Manual	FA Sections 8(C), (I) and (N)	Items 11 and 16
h. Trademarks and proprietary information	FA Sections 3 and 9	Items 13 and 14
i. Restrictions on products/ services offered	FA Sections 1 and 8(D) and (P)	Items 8, 11, and 16
j. Warranty and customer service requirements	FA Section 8(D)	Item 11
k. Territorial development and sales quotas	FA Section 1(B)	Item 12
l. Ongoing product/service purchases	FA Section 8(D)	Items 8 and 11
m. Maintenance, appearance, and remodeling requirements	FA Sections 2(B)(3) and 8(B) and (E)	Item 11
n. Insurance	FA Section 10	Items 6 and 8
o. Advertising	FA Section 6	Items 6, 7, 8, and 11
p. Indemnification	FA Section 11	Item 6
q. Owner’s participation/ management/staffing	FA Sections 7(D) and 8(A) and (J)	Items 11 and 15
r. Records/reports	FA Sections 12(A) and (B)	Item 16
s. Inspections/audits	FA Section 12(C)	Items 6 and 11
t. Transfer	FA Sections 13 and 14	Item 17
u. Renewal	FA Section 2(B)	Item 17
v. Post-termination obligations	FA Section 17	Item 17
w. Non-competition covenants	FA Section 18	Item 17

<u>Obligation</u>	<u>Section in Agreement</u>	<u>Disclosure Document Item</u>
y. Other: Guaranty of franchisee obligations	FA Sections 9(A), 12(C), 14(B), 18(A), (B) and (C) and 19 (C) and Exhibit B to FA	Item 15

**ITEM 10.
FINANCING**

Item	Source of	Down	Amount	Term	Interest	Monthly	Prepay	Security	Liability	Loss of
Financed	Financing	Payment	Financed	(Yrs.)	Rate	Payment	Penalty	Required	upon default	legal right on default
Equipment Package	RobotLAB Financial Services	\$15,000	\$95,500	3	9.5%	\$3,400	None	Personal Guaranty	Equip. removed; past due payments ; \$1,000 liquid damages ; costs of	Lose all defenses

Notes:

1. You are not obligated to use our financing option. If you choose to finance through our affiliate, you will fill out a financing application for the order, and the application may or may not be approved based on your credit limits, payment history, and other criteria. Each credit application will require a personal guarantee from Franchisee, and/or each of Franchisee’s owners if Franchisee is an entity. Each time you finance an amount you will sign a separate contract. Each contract is treated as an independent contract. All contracts prorate the first and last portions of the month into the first payment, and the payment for the prorated amounts are due at contract signing, and thereafter, each amount is due on the 1st of each month, for the duration of each contract. You must allow a direct ACH debit from your bank account. We reserve the right to use customer payments due to you to cover past due payments. All contracts will carry a financing fee which is subject to then prevailing market terms. Past due payments will carry 18% interest rate per year on the past due amount, calculated daily. A contract with a past due payment of more than 14 days will be voided, and the entire financed amount will be due on that day. In this event, we will collect the payments from sums due to you from customers directly.

2. If Franchisee defaults on the financing contract, Franchisor’s affiliate (the financial service provider), has the right to require one or more of the following: (a) as liquidated damages for loss of bargain and not as a penalty, pay the sum of (i) all amounts then past due, plus interest from the due date until paid at the rate of 1.5% per month; (ii) the payments remaining in the term (including the fixed maintenance component thereof, if permitted under the maintenance agreement), discounted at the discount rate to the date of default, (iii) the equipment's booked residual, and (iv) taxes; and (b) require you to return the Equipment as provided in

Sections 5 and 8 of the sample contract attached to this Disclosure Document. Franchisee agrees to pay all reasonable costs, including attorneys' fees and disbursements, incurred by RobotLAB Financial Services to enforce this Agreement.

3. Franchisor does not currently and does not intend to sell, assign, or discount any part of the financing arrangement to a third party.

4. Franchisor or its affiliates do not receive consideration for placing financing with the lender, except where some of Franchisor's officers own an interest in the affiliate lender.

We do not provide financing for any initial fees or equipment listed in Item 5. We do not guarantee your note, lease, or any other obligation. We are an SBA-approved franchise, and we may introduce you to our SBA broker who might be able to help you obtain an SBA loan. Applying for a loan (from the SBA or other sources) directly, or through our broker, getting approval, delayed closing, and other unexpected gaps in funding, do not change your obligations and payment schedule, as we verify your financial ability to get into this agreement and run the business regardless of your ability to secure loans.

Our affiliate, RL Financial Services, or other financing partners we work with, may be able to finance your customers, and you will be able to offer your customers lease and RaaS (Robot as a Service) models supported by these financing options. Your customer will have to enter a financing or a lease agreement and may or may not be approved for financing based on their credit history, outstanding credit, good standing, or any other parameters. If you purchased a robot for a customer who did not get approved for financing, you are still liable for the payment to us for the robots purchased, even if your customer canceled the order due to financing.

ITEM 11.

FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING

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

Pre-Opening Assistance. Before you open your Franchised Business, we will:

- Provide assistance in your evaluation of a Site for a Franchised Business in accordance with the standards and specifications of the System (Franchise Agreement - Section 7(A)). We will provide you with the specifications in our Manuals; we will evaluate your Site selection to ensure it meets our criteria, including but not limited to size, general location, and fitness for RobotLAB purposes; and we will provide you written approval within 30 days. You will be responsible for ensuring your Site conforms to local ordinances, building codes, permitting requirements, and any other construction, remodeling, decorating. If you and we cannot in good faith agree on a Site, we may cancel the Franchise Agreement, and we will not refund the **initial franchise fee** Franchise Fee. We do not generally own the Sites our franchisees lease.
- Provide you with the System standards and specifications for the layout and design of the Franchised Business (Franchise Agreement - Section 7(B)).
- Provide you with a list and specifications of the standard equipment, supplies, signs, and initial custom inventory of the Franchised Business (Franchise Agreement - Section 7(C)). Where we, or our affiliate, are the Approved Supplier, we will provide you with the required equipment and inventory. We will only deliver and/or install equipment and inventory if we are the Approved Supplier and have agreed to do so beforehand.
- Provide the mandatory training program described below (Franchise Agreement - Section 7(D)). You will be required to hire and train your own employees in accordance with the Manuals.

- Provide you with assistance and approval of your opening plan for your Franchised Business (Franchise Agreement Section 7(E)).
- Provide you with electronic copies of the Manuals. You must keep the Manuals confidential, not use them for any other purpose, and return them when the Franchise Agreement terminates (Franchise Agreement - Section 7(F)).
- Assist you in developing a business plan template for your Franchised Business (Franchise Agreement - Section 7(G)).

Ongoing Assistance. During the operation of your Franchised Business, we will:

- Provide consultation as needed to conduct periodic evaluations of your Franchised Business and provide to you feedback to assist you in the operation of your Franchised Business (Franchise Agreement - Section 7(H)).
- Periodically make available all changes to the System via the Manuals electronically (Franchise Agreement - Section 7(H)).
- Periodically furnish you with updated and revised material for the Manuals electronically, (Franchise Agreement - Section 7(H)).
- Develop advertising and marketing materials to assist in promoting your Franchised Business (Franchise Agreement - Section 7(H)).
- If we determine that we may lawfully require you to charge certain prices for goods or services, certain minimum prices for goods or services, or certain maximum prices for goods or services, you must adhere to our pricing policies as set forth in the Manuals or otherwise in writing from time to time (Franchise Agreement – Section 7(H)).

Marketing Programs. Other than as disclosed below, we may but are not required to conduct any advertising and marketing for the RobotLAB® brand. We may conduct marketing on a local, regional, or national level, and either in-house or with a regional or national agency. We will establish and conduct various marketing programs as follows:

Brand Fund

We may use contributions to the Brand Fund to satisfy any and all costs of maintaining, administering, directing, preparing, and producing advertising, social media, public relations, including the cost of preparing and producing television, radio, magazine and newspaper advertising campaigns, the cost of direct mail and outdoor billboard advertising; the cost of public relations activities, social media activities and advertising agencies; the cost of developing and maintaining an internet website and social media pages; and personnel and other departmental costs for advertising that we internally administer or prepare. We may conduct marketing in-house or contract with outside marketing agencies and production companies to produce certain advertising, marketing, and promotional materials on a local, regional, or national scale.

You must pay us a Brand Fund Contribution equal to 1% of your monthly Gross Revenue. This amount may increase to up to 3% upon written notice to you. We administer the use of Brand Fund Contributions collected from franchisees. Not all franchisees will benefit directly or on a pro-rata basis from the Brand Fund's expenditures. We may contribute to the Brand Fund in our sole discretion and be reimbursed later by the Brand Fund. We have not prepared a financial statement as to the collection and use of Brand Fund

Contributions, nor are the Brand Fund Contributions audited. **We will**Upon your reasonable request, **however, we will** provide **to** you **(at your request)** an accounting of the most recently completed fiscal year. We are not obligated to spend any

amount of the Brand Fund Contribution on advertising in the area or territory where you are located. We will carry over for future use Brand Fund Contributions not spent in any fiscal year. While we do not anticipate that any part of the Brand Fund will be used for advertising or public relations that are principally a solicitation for the sale of additional franchises, we reserve the right to include a notation in any advertisement indicating that franchises are available. Our affiliate operated outlets are not required to contribute to the Brand Fund but may do so if our management team chooses to do so.

You may print advertising and marketing materials for your own use, at your own cost, **if as long as** you follow the System standards and specifications, as outlined in the Manuals. System guidelines and your materials must be factually correct, accurately depict the Marks, and communicate the RobotLAB® brand position and character that we have established for Franchised Businesses. If you develop advertising or marketing materials, you must provide a copy of the materials to us for our review and written approval before you use the advertising or marketing **materials**[mat.Oerials](#). If you desire to advertise or market on the internet, you must obtain written authorization from us.

[During the 2024 fiscal year, collected \\$12,904 in Brand Fund Contributions from franchisees. During the 2024 fiscal year we spent \\$237,805 on brand awareness such as radio, tv and other media placements, paid ads, conferences, and travel; of that amount spent, we spent 0% on the creation and administration of the Brand Fund.](#)

During the 2023 fiscal year, we did not collect any amounts for the Brand Fund. Local Area Marketing Requirement

In addition to your Brand Fund Contribution, currently you must pay a minimum of 3% of your Gross Revenue to us so we can provide local marketing services for you. We will perform: (a) at least one local event for your Protected Territory annually, (b) dedicate a cold-calling campaign to drive leads and appointments for your Protected Territory; (c) establish a pass-through lead program, for all leads we get from your Protected Territory; (d) invite you to attend shows and conferences with us if they are in your Protected Territory; and (e) allow you to participate in nation-wide corporate deals we have signed. If you fail to pay the required amount in any quarter, we may require you to pay us the shortfall as an additional Brand Fund Contribution or to pay us the shortfall for us to spend on local marketing for your Franchised Business. We may increase the amount of your Local Area Marketing Requirement to a maximum of 5% of your Gross Revenue, upon 30 days' written notice to you. Any advertising or marketing materials must be approved by us in writing prior to your use of such materials. We will include your Business on our website.

[We reserve the right to implement a requirement that you spend, independently and in accordance with the Manuals, an amount up to 5% of your Gross Revenue in your local market. This amount is in addition to the amount you pay to us for local marketing currently.](#)

Franchise Advisory Council

While we do not currently have [During the 2024 fiscal year we implemented](#) a Franchisee Advisory Council ("FAC"), **we reserve the right to formulate one in the future. It is envisioned that** [. Currently, there are six franchisees that serve on the FAC. We consult the FAC](#) when developing marketing strategy and allocating the use of Brand Fund Contributions, **we may consult with the FAC.** We appoint franchisees to serve as members of the FAC. All FAC members must [agree to and sign the FAC bylaws and](#) be in good standing and remain in good standing during their term. All members serve on the FAC for a term determined by us. The FAC serves in an advisory capacity to, among other objectives, provide advice on advertising, research, and promotional activities to us and our outside advertising agencies. We have the power to **form**, change or dissolve the FAC.

Local Marketing Cooperative & Expenditures

be obligated to contribute more than 5% of the Gross Revenue for your Franchised Business to the Cooperative (“Market Cooperative Contribution”) and any Market Cooperative Contributions you make will count toward your Local Area Marketing Requirement.

Each Cooperative must adopt written bylaws, which follow the format we approve. You may request a copy of the bylaws of the Cooperative (if one has been established) for your DMA from the Cooperative president or us, which will be provided within a reasonable time and shall not be unreasonably withheld. Each Cooperative must follow voting procedures that are consistent with the general operating rules that we have established. The members of the Cooperative and their elected officials will administer the Cooperative in your area. We strongly recommend that Cooperatives prepare annual financial statements and make those financial statements available to all franchisees in that Cooperative, but we do not require nor guarantee the Cooperative will do so. We have the power to establish Cooperatives and the bylaws, policies, and rules under which the Cooperatives will operate.

If a franchisor owned outlet joins a Cooperative, it shall have the same voting power, rights, and make contributions equal to a franchisee member.

Computer Systems

You must purchase and use all office management hardware and software (“Local Computer System”) and online computer software programs (“Online Computer Systems”) (collectively, “Computer Systems”), which we have developed or may develop and/or designate for use for the System through Approved Suppliers and you must also purchase such Computer Systems as may be necessary for the efficient operation of the Franchised Business. We have the right to require you to update or upgrade components and software for your Computer Systems as we deem necessary from time to time. In addition, we have the right to require you to enter into a separate maintenance agreement for such Computer System components. Although you must buy, use, and maintain the Computer Systems meeting our standards and specifications, you will have the sole and complete responsibility for: (i) the acquisition, operation, maintenance, and upgrading the Computer Systems; and (ii) all consequences that may arise if the Computer Systems are not properly operated, maintained, or upgraded.

double-(f)

For your Online Computer System, your Technology Fee includes the licenses for the cloud-based software we use, including our sales and customer management system and managing email marketing, as well as other software to operate the business. The Local Computer System which you need to purchase separately consists of: (a) **laptops tablets** for each employee (b) wired and wireless network equipment, (c) mobile hot spot for robot deployment (including a data subscription), (d) mobile phones for employees, (e) at least one **all-all-** in-one printer, (f) tablets for sales and technician personnel, (g) office alarm systems, sensors, and camera (recommended but not required by us), (h) one office desk phone, and (i) one **double-sided** large format (11x17) printer. These products and systems may generate data for your Franchised Business such as sales data, customer information, employee and labor information, inventory, and financial reports. Your computer hardware and system and any data or information you obtain must be secure.

You are required to participate in any area computer network, intranet, or extranet that we implement for the System, and you may be required by us to use such area computer network, intranet, or extranet to, among other things: (i) submit your reports due under the Franchise Agreement to us online; (ii) view and print portions of the Manuals; (iii) download approved local advertising and promotions materials; (iv) communicate with us and other franchisees; and (v) participate in online training. You must agree to use the facilities of any such area computer network, intranet, or extranet in strict compliance with the standards, protocols, and restrictions that we include in the Manuals, including those related to the encryption of confidential information and prohibitions against the transmission of libelous, derogatory, or defamatory statements.

The estimated range of obtaining the Computer System is between \$~~4,500~~ 1,500 - \$8,000, which can be found in more detail in Item 7. Additionally, you are required to pay a the monthly Technology Fee of **\$485 per employee, per month, which is also as** detailed in Items 6 and 7 **and , but which is** subject to change in the future. We are not obligated to provide any ongoing maintenance, repairs, upgrades, or updates. You must maintain and exclusively use franchised “@RobotLAB.com” email accounts for customer communications, which will be provided to you. No contractual limitation exists on our right to access the information on our Online Computer Systems, either provided by you or someone else. We may require you to upgrade or update your Computer System and other office equipment to match minimum market standard at that time. No contractual limitation exists on the frequency or cost of this obligation. We will have independent access to any data which you collect electronically.

There are currently no annual costs for any optional or required maintenance update, upgrading or support contracts. Neither we nor our affiliate are required to provide ongoing maintenance, upgrades, repairs, or updates to the Computer System. We reserve the right, however, to charge a reasonable fee for any ongoing maintenance and repairs, upgrades, and support services, including the costs for the Computer System. There are no contractual limitations on the frequency and cost of this requirement, as technology is constantly changing. We may require you to update your Computer System every five (5) years or as needed, depending on changes in technology, the System, and our current standards and specifications as defined in the Manuals. We estimate that annual costs for upgrades to your Computer System will be approximately \$1,500 - \$3,000 but may vary if we implement changes to the Computer System or otherwise develop additional Computer System components that we require you to use in the operation of your Franchised Business.

We, or a third-party vendor that we select, will provide you with the Computer System components and instructions. We will have real-time, independent access to certain operational and financial information and data produced by your Computer System. There are no contractual limitations on our right to access the information and data.

Development Time

The typical length of time between our acceptance of the Franchise Agreement and the opening of your Franchised Business is six (6) to eight (8) weeks. Once the Franchise Agreement is executed, by its terms you will have up to four (4) months to open your Franchised Business and host the Grand Opening Event at your location. The factors that may affect the Franchised Business opening process may include your ability to find a suitable retail facility, supply chain delays, sign, equipment and inventory acquisition, lease negotiations, and financing or staffing issues. If you fail to open your Franchised Business within the ~~four-four-~~ month period we may, in our sole discretion, terminate your Franchise Agreement. We may, in our discretion, agree to extend your opening deadline but we may require you to execute a general release as a condition of granting such an extension.

Training

The initial training program, which we call New Franchisee Orientation Training (“NFOT”), takes around two weeks to complete and is held in an online forum through an online learning platform, 1:1 online training sessions, and in-person at our training center in Southlake, TX (“Training Facility”). The training program is typically offered at the beginning of each quarter, four (4) times per year.

We conduct our training program at our training center in Southlake, TX (“Training Facility”), through 1:1 online training sessions, and an online learning platform. The training program is typically offered four (4) times per year, at the beginning of each quarter. The training program, New Franchisee Orientation Training (“NFOT”), covers several aspects of management and operation of your Franchised Business, including business plan development, sales training, marketing training, Computer System usage training, merchandising, computer operation, Franchised Business management, personnel benefits, and issues, our Approved Suppliers and affiliates, and

other topics we may select. The first part of NFOT will educate you on how to understand your marketing program and financial statements and utilize the information to build your Franchised Business. The second phase of NFOT includes technical training on all products in your Equipment Package, and other topics we select (“Technical Training”). We will not allow you to open your Franchised Business until and unless you or your General Manager successfully complete **the** NFOT to our satisfaction. You will not be allowed to sell or service any specific product, unless you or your General Manager complete the technical training to our satisfaction.

Neither you nor your team members will be registered to attend any part of the NFOT in-person training if the franchisee or the franchisee’s owner(s) (if franchisee is an entity) did not: (a) pay the Franchise Fee and

Equipment Package in full **(or successfully obtain financing for the equipment package) and;** [and \(b\) have completed watching the assigned videos through the online training system, and completed the assigned quizzes successfully.](#)

Missing in-person NFOT training will delay your Franchise Business opening as you will have to wait until the next NFOT offered. We will not be able to provide you a dedicated NFOT if you missed your assigned NFOT.

Your, and your team’s undivided attention is required to complete the training in a timely manner. [Stepping away from the training to take non-RobotLAB® related calls, meetings, and other activities will result in a termination or your or your team member’s attendance, and you will have to restart the training from the beginning on the next NFOT training dates.](#)

TRAINING PROGRAM

First Session - New Franchisee Orientation Training (“NFOT”) – [Prior to in-person training, you will need to complete:](#)

Target Audience ¹	Subject	Hours of Classroom and Online Training	Hours of “Hands-On” Training	Location
Everyone	Money Mindset Read “Outwitting the Devil” book by Napoleon Hill, and answer the quiz	3-5-3 4 hours (audiobook), or read at your own pace	1-2	Online, unless you request our Training Facility Before Signing the FA, or hiring a new team member
Owner/ GM / Sales	Read “Fanatical Prospecting” by Jeff Blount and answer the quiz	4 hours (audiobook), or read at your own pace	1-2	Before Signing the FA, or hiring a new team member in this capacity
Everyone	Who Is RobotLAB; Markets Served; Product Families; What Problems We Solve for Our Customers; Our History; Educational Robotics Legacy	1-2	1-2	Online, unless you request our Training Facility
Everyone	Money Mindset	3-5-3	1-2	Online, unless you request our Training Facility
Owner/ GM / Marketing	Marketing, Building Your Book of Business, How To Get On Local Stages, The Perfect Customer Persona, Social Media, Advertising	16-24	8-12	Online, unless you request our Training Facility
Owner/ GM / Sales	Sales, Presentation, Negotiation, Objection- Objection-Handling , Prospecting	24-32	8-12	Online, unless you request our Training Facility
Owner/ GM / Sales	Follow-Up, Trial Closes, Closing the Deal	24-32	8-12	Online, unless you request our Training Facility

Everyone	Corporate Culture, High Talent Density, Daily Standups, Be Your Best Self, Scams Awareness	1-2	1-2	Online, unless you request our Training Facility
Target Audience[†]	Subject	Hours of Classroom and Online Training	Hours of “Hands-On” Training	Location
	Awareness			Training Facility
Everyone	Computer And Mobile Phone Set Up, Dropbox, Slack, Clickup , Office Suite, DialPad, Barracuda, Salesforce	1-2	2-3	Online, unless you request our Training Facility
Owner/ GM /Sales	Computer System for Salespeople	1-2	2-3	Online, unless you request our Training Facility

<u>Target Audience¹</u>	<u>Subject</u>	<u>Hours of Classroom and Online Training</u>	<u>Hours of “Hands-On” Training</u>	<u>Location</u>
Owner/ GM / Marketing	Computer System for Marketing People	1-2	2-3	Online, unless you request our Training Facility
Owner/ GM / Operations	Computer System for Operations People	1-2	2-3	Online, unless you request our Training Facility
Owner/ GM / Customer Success	Computer System for Customer Success People	1-2	2-3	Online, unless you request our Training Facility
Owner/ GM	Legal Entity Structures & Financing Options	1-3	On Demand	Online, unless you request our Training Facility
Owner/ GM	Business Planning & Development Strategy	5-8	2	Online, unless you request our Training Facility
Owner/ GM	Loss Prevention and Pre-Emptive Dispute Resolution	2-3	1	Online, unless you request our Training Facility
Owner/ GM	Accounting & Bookkeeping Overview	1-2	2-3	Online, unless you request our Training Facility
Everyone	Vendor And Approved Suppliers Overview	3-5	2	Online, unless you request our Training Facility
Owner/ GM / Marketing	Brand Standards, And Franchise Brand Continuity	1-2	1-2	Online, unless you request our Training Facility
Owner/ GM	Business Operations and Financial Business Management, Cash Flow Management, 5 Bank Accounts System	1-2	1-2	Online, unless you request our Training Facility
Owner/ GM	Inventory Management; Demo Units;	1-2	1-2	Online, unless you request our Training Facility
Owner/ GM	Franchised Business Management	1-2	1-2	Online, unless you request our Training Facility
Owner/ GM	Employee Management	1-2	1-2	Online, unless you request our Training Facility
Everyone	Customer Service & Brand Standards	1-2	1-2	Online, unless you request our Training Facility

Target Audience¹	Subject	Hours of Classroom and Online Training	Hours of “Hands-On” Training	Location
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Everyone	Phone System and Communication Methods	1-2	1-2	Online, unless you request our Training Facility
	TOTAL HOURS	93 <u>101</u> - <u>145</u> - <u>153</u>	51 <u>53</u> - <u>79</u> <u>83</u>	

The in-person component of our training program requires two weeks at our headquarters. Below is a sample of the agenda for the mandatory two-week training held at our headquarters in Southlake, TX (subject to change from time to time):

Week 1 Training Schedule

Robot Training Key:

Gausium LG ServeBot KettyBot Pepper / RMS Servi+

Monday —

- 8:00 – 8:15 AM — Michael — Arrival, FSM Chats & Coffee
 - 8:15 – 8:30 AM — Michael — Welcome, Introductions & ROE
 - 8:30 – 10:30 AM — Elad — Our History, Culture, Our Future & Millionaire Math
 - 10:30 – 11:45 AM — Elad — Stages Introduction
 - 11:45 – 12:35 PM — Lunch
 - 12:35 – 1:30 PM — Anna/Ethan — Salesforce: Pre-Sales Processes
 - 2:35 – 3:25 PM — Anna/Ethan — Sales Processes Part 1
 - 3:25 – 4:15 PM — Anna/Ethan — Sales Processes Part 2
 - 4:15 – 5:00 PM — Bryan/IM — Let's Learn Gausium
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Tuesday —

- 8:00 – 8:15 AM — Michael — Arrival, FSM Chats & Coffee
 - 8:15 – 8:30 AM — Michael — Welcome Back
 - 8:30 – 10:30 AM — Justin/IM — Mapping Theory
 - 10:30 – 12:00 PM — Michael — The Systems We Use and Why
 - 12:00 – 12:50 PM — Lunch
 - 2:00 – 4:30 PM — Coach Rick — Stages
 - 4:30 – 5:00 PM — Michael/Nick/FSM — Review
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Wednesday —

- 8:00 – 8:15 AM — Michael — Arrival, FSM Chats & Coffee
 - 8:15 – 8:30 AM — Michael — Welcome Back
 - 8:30 – 9:10 AM — Peyton — Taking Pictures & Videos You Can Use
 - 9:10 – 11:10 AM — Bryan/IM — Let's Learn LG ServeBot
 - 11:10 – 12:30 PM — Lunch (ChefBot?)
 - 12:30 – 1:30 PM — Bryan/IM — Let's Review Gausium
 - 1:30 – 2:30 PM — Bryan — Introduction to Customer Success
 - 2:30 – 2:35 PM — Break
 - 2:35 – 3:30 PM — Bryan/IM — Let's Learn KettyBot
 - 3:30 – 4:30 PM — Sam — Van Training
 - 4:30 – 5:00 PM — Michael/Nick/FSM — Review
-

Thursday —

- 8:00 – 8:15 AM — Michael — Arrival, FSM Chats & Coffee
 - 8:15 – 8:30 AM — Michael — Welcome Back
 - 8:30 – 9:45 AM — Bryan — Repairs
 - 9:45 – 11:30 AM — Bailey — Let's Learn KettyBot Content
 - 11:30 – 12:20 PM — Lunch
 - 12:20 – 2:20 PM — Bailey — RMS
 - 2:20 – 3:20 PM — Bailey — Fix Pepper Project
 - 3:20 – 3:25 PM — Break
 - 3:25 – 4:25 PM — Sam K. — Elevator & Door Integration
 - 4:25 – 4:55 PM — Michael/Nick/FSM — Daily Review
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Friday —

- [8:00 – 8:15 AM — Michael — Arrival, FSM Chats & Coffee](#)
- [8:15 – 8:30 AM — Michael — Welcome Back](#)
- [8:30 – 11:00 AM — Anna/Bryan — Post Sales Processes for Customer Success](#)
- [11:00 – 12:00 PM — Berkan — Social Media & Awareness Marketing](#)
- [12:00 – 12:50 PM — Lunch](#)
- [12:50 – 1:40 PM — Team Session — Let’s Review KettyBot](#)
- [1:40 – 2:40 PM — Michael P. — Prospecting for Leads](#)
- [2:40 – 4:10 PM — Michael P. — Cold Outreach Tips & Tricks](#)

Notes:

- 1. Target Audience. Franchisee owners and general managers; however, parts of the training can be assigned to different managers on demand.**
- [Second 4:10 – 4:45 PM — Open Session - **Technical Product Training**/ Overflow](#)
- [4:45 – 5:00 PM — FSM/Class — Happy Hour @ HG Supply](#)

The following training is mandatory for all franchise employees. You will not be able to sell products that you are not trained on. Your CRM and quoting system will not present any product that you are not certified to sell. It is your responsibility to make sure all your salespeople are proficient and have complete product knowledge before talking to customers. Providing wrong product information to customers or selling the wrong product for use may result in customer disputes, returns, and a loss of money.

The product knowledge training program described below is per robot. As we develop the business and add more products, you and your team will be required to be trained on new products. Like with all high- tech products, software and hardware revisions are common and we will require you and your team to maintain updated product knowledge as needed (i.e., a new software hardware version became available for a robot you offer for sale).

There are three levels of product knowledge:

- 1. Generic Product Knowledge. Mandatory for all Franchised Business employees. Without completing this level, you will not be able to offer these products to your customers.**
- 2. Deployment Engineer Knowledge. Mandatory if you choose to deploy robots independently. If you do not complete this per-product training, we will charge you a \$400 deployment fee (plus travel) per robot you sell, as we will send a technician to deploy the robot for you. Having an up-to-date certified deployment engineer on board, will earn you an additional 1% rebate on each product you purchase, when at the time your purchase order is placed with us your Franchised Business has at least one person who has been certified on the product.**
- 3. Technician / Repair Engineer Knowledge. You may elect to engage in robot repairs as a part of the service you provide your customers. Such training is available only for technicians with a background in hardware repair, IT, and computer systems, and is subject to pre-approval from our Director of Customer Success.**

Week 2 Training Schedule

Robot Training Key:

Servi+ LG ServeBot KettyBot Pepper / RMS

Monday —

- 8:00 – 8:15 AM — Michael — Arrival, FSM Chats & Coffee
- 8:15 – 8:30 AM — Michael — Welcome Back

The table below demonstrates the training program for each level of product knowledge, and the schedule will need to be repeated for each product you offer to your customers:

Target Audience	Subject	Hours of Classroom Training	Hours of “Hands-On” Training	Location
Level 1 – Everyone	Product introduction: Product category, main features, use cases, product history (versions, variants, etc.), Product accessories (cups tray, charging station, water station)	1	On Demand	Southlake, TX and/or Online
Level 1 – Everyone	Product Standard Operating Procedures	2	1	Southlake, TX and/or
	LEVEL 1 TOTAL HOURS	3	1	
Level 2 – Owner / GM / Deployment Engineer / Sales	<p>Mapping the environment, starting tags/QR codes</p> <p>For Delivery: deciding on points of interest, deciding on robot position when delivering, hauling away items, cruise mode, birthday mode, charging station positioning, starting point positioning, schedules, charging time & run time, ongoing maintenance.</p> <p>For Cleaning: deciding on the path or area to clean, points of interest, charging station, plumbing requirements, positioning, starting point positioning, daily maintenance, preventive maintenance.</p> <p>For Customer Service robots: deciding on path, patrol, visual, content tree, images and videos, languages etc.</p>	24	24	Southlake, TX and/or Online
	LEVEL 2 TOTAL HOURS	27	25	
Level 3 – Technicians	In depth repair workshop. On demand and on site only. After an approval from the director of customer success that the candidate is a good fit. Workshops are offered 4 times a year, at the beginning of every quarter.	40	40	Southlake, TX
	LEVEL 3 TOTAL HOURS	67	65	

- [8:30 – 10:30 AM — Abby — All Things Marketing](#)
 - [10:30 – 10:35 AM — Break](#)
 - [10:35 – 12:00 PM — Chris T. — The Customer Follow-Up / Best Practices](#)
 - [12:00 – 12:50 PM — Lunch](#)
 - [12:50 – 2:30 PM — Bryan/IM — Let’s Learn Servi+](#)
 - [2:30 – 3:15 PM — Justin — Advanced Mapping](#)
 - [3:15 – 4:45 PM — Bryan/IM — Let’s Review Servi+](#)
 - [4:45 – 5:00 PM — Michael/Nick/FSM — Daily Review](#)
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Tuesday —

- [8:00 – 8:15 AM — Michael — Arrival, FSM Chats & Coffee](#)
 - [8:15 – 8:30 AM — Michael — Welcome Back](#)
 - [8:30 – 11:30 AM — Justin — Implementation Life Cycle](#)
 - [11:30 – 12:20 PM — Lunch](#)
 - [12:20 – 2:45 PM — Bryan/IM — Let’s Review Servebot Advance](#)
 - [2:45 – 4:30 PM — Sam L./Partner — 15/30/60/90 Day Ramp Up](#)
 - [4:30 – 5:00 PM — Michael/Nick/FSM — Review](#)
 - [5:30 PM — Stages Dinner – Timarron Country Club, Southlake, TX](#)
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Wednesday —

- [8:00 – 8:15 AM — Michael — Arrival, FSM Chats & Coffee](#)
 - [8:15 – 8:30 AM — Michael — Welcome Back](#)
 - [8:30 – 10:45 AM — Ron/Cedric — Customer Service: Market Insights & Strategies](#)
 - [10:45 – 11:45 AM — Ron/Cedric — Demo Mastery \(Customer Service\)](#)
 - [11:45 – 12:35 PM — Lunch](#)
 - [12:35 – 2:20 PM — Ron/Cedric/IM — Roleplay for Success](#)
 - [2:20 – 2:30 PM — Break](#)
 - [2:30 – 3:30 PM — Ron/Cedric — Creating the Quote and Closing the Deal](#)
 - [3:30 – 4:30 PM — Bryan/IM — Let’s Review a Robot of Your Choice](#)
 - [4:30 – 5:00 PM — Michael/Nick/FSM — Review](#)
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Thursday —

- [8:00 – 8:15 AM — Michael — Arrival, FSM Chats & Coffee](#)

- [8:15 – 8:30 AM — Michael — Welcome Back](#)
- [8:30 – 10:45 AM — Rick/Cedric — Cleaning: Market Insights & Strategies](#)
- [10:45 – 11:45 AM — Rick/Cedric — Demo Mastery](#)
- [11:45 – 12:35 PM — Lunch](#)
- [12:35 – 2:20 PM — Rick/Cedric/IM — Roleplay for Success](#)
- [2:20 – 2:30 PM — Break](#)
- [2:30 – 3:30 PM — Rick/Cedric — Creating the Quote and Closing the Deal](#)
- [3:30 – 4:30 PM — Brian — Introduction to Security Robots](#)
- [4:30 – 5:00 PM — Michael/Nick/FSM — Review](#)

[Friday —](#)

- [8:00 – 8:15 AM — Michael — Arrival, FSM Chats & Coffee](#)
- [8:15 – 8:30 AM — Michael — Two Days Left](#)
- [8:30 – 10:45 AM — Matt L. / Cedric — Delivery Robots: Market Insights & Strategies](#)
- [10:45 – 11:45 AM — Matt L. / Cedric — Demo Mastery \(Delivery\)](#)
- [11:45 – 12:35 PM — Lunch](#)
- [12:35 – 1:50 PM — Elad — Millionaire Math Recap & Closing Remarks](#)
- [1:50 – 3:35 PM — Matt L. / Cedric/IM — Roleplay for Success](#)
- [3:35 – 3:45 PM — Break](#)
- [3:45 – 4:45 PM — Matt L. / Cedric — Creating the Quote and Closing the Deal](#)

The instructional material for each subject includes the Manuals, the electronic Computer System guide and guide to CRM reports, training manual, visual merchandising manual, daily operations tools, lectures, classroom discussion, hands-on demonstration, role-play training, and practice training in the Training Facility.

Our training program is led by our CEO, Elad Inbar, who has over **16 17** years' experience in the industry, and is also our owner and developer of the businesses we offer in this Disclosure Document. We may use other trainers in our training program, all of which will have at least 6 months' experience in the area they are instructing.

We **do not** charge **an additional fee** [the \\$7,000 initial training fee, as disclosed in Item 5,](#) for NFOT. You are, **however,** responsible for travel and living expenses that you and your **representatives (if any) team** incur while attending NFOT. See Item 7 for additional information on those expenses. We require **franchisees franchisee** to attend any additional training programs for their position and areas of responsibilities.

[We may require you to complete training provided through a third-party provider. In instances where this training is required, you will be required to pay the providers their fees to complete the training. The third-party training may be in-person or online depending on the program.](#)

Operations Manual. We provide you with an electronic copy of our Manuals in the form of videos on our learning system. The Manuals are subject to change and will be updated electronically, as necessary, through our intranet or by way of policy updates delivered to you. The table of contents for our current Manuals can be found in Exhibit D of this Disclosure Document. There are 100s of hours of video materials in our current Manuals as of the issuance date of this Disclosure Document.

ITEM 12. TERRITORY

Upon signing the Franchise Agreement, we will assign you with an area that is mutually agreed upon, based on availability, in which you will have protected rights (the “Protected Territory”). The geographical area and size of your Protected Territory may vary based on the location and business population demographics and density in your Protected Territory. A Protected Territory consists of a group of zip codes that are mutually agreed upon and are priced based on Blocks of 8,000 relevant businesses as listed by our mapping software provider (“Qualified Businesses”). If you request and we agree, in our sole discretion, to grant you a Protected Territory that contains more than one Block, you must pay us six dollars and eighty-six cents (\$6.8625) (which is \$54,900 divided by 8,000 businesses) for each additional Qualified Business in a Block.

The boundaries of your Protected Territory may be described in terms of zip codes, streets, landmarks (both natural and man-made) or county lines, or otherwise delineated on a map. The sources we use to determine the population within your Protected Territory will be publicly available population information through our GIS system which provides information based on multiple sources. [Due to market forces, the economy, frequency of data updates by our vendors, or other reasons, business count in your area will vary. In all cases, we will do everything in our power to ensure franchisees’ Protected Territory has sufficient business opportunity based on these external data sources.](#)

Your approved facility must be located within your Protected Territory. You may not relocate your facility or arrange for an affiliation with a new facility for your Franchised Business without our prior written approval. Our approval for relocation or a change in your facility will not be unreasonably withheld, however factors we may consider in deciding whether to approve your request include: (i) whether the new facility is satisfactory to us and located within your Protected Territory, (ii) your lease, if any, complies with our then-current requirements, (iii) you comply with our then-current requirements for constructing, outfitting, and furnishing the new facility, (iv) the new facility will not, as determined in our sole discretion, materially and adversely affect the Gross Revenue of any other Franchised Business, (v) you have fully performed and complied with each provision of the Franchise Agreement within the last three (3) years prior to, and as of, the date we consent to such relocation (the “Relocation Request Date”), (vi) you are not in default, and no event exists as of the Relocation Request Date, and (vii) you have met all of our ~~then-then-~~ current training requirements. If you lose your lease, you must secure our approval of another site and enter into a lease for the new approved site within 90 days after you lose your site lease.

We will not establish another Franchised Business or Company-Owned Outlet in your Protected Territory under the mark RobotLAB. We have established a RobotLAB website on the internet, and online sales coming from your Protected Territory will be assigned to you. Although we do not do so as of the issuance date of this Disclosure Document, we reserve the right to distribute products through alternative channels of distribution, including the internet (or any other existing or future form of electronic commerce), using the Marks inside or outside of the Protected Territory. We also reserve the right to distribute products through alternative channels of distribution or establish franchised or company-owned businesses selling similar products or services under a trademark different from the Marks inside or outside of the Protected ~~Territor~~**Territory**, although we do not currently plan to do so. We reserve the right to establish or license franchises and/or company-owned outlets or other facilities or businesses offering similar or identical products, services, and classes and using the System or elements of the System (i) under the Marks anywhere outside of the Protected Territory regardless of proximity to the Protected Territory or to your Franchised Business or (ii) under names, symbols, or marks *other than* the Marks anywhere, including inside and outside of the Protected Territory, although we do not currently intend to do so.

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

Rights We Retain

Although we will grant you a Protected Territory, we or our affiliates may (or may authorize a third party to) conduct any or all of the following activities, without compensation to you:

1. Establish or license franchises and/or company-owned outlets or other facilities or businesses offering similar or identical products, services, and classes and using the System or elements of the System⁽ⁱ⁾

(i) under the Marks anywhere outside of the Protected Territory regardless of proximity to the Protected Territory or to your Franchised Business or (ii) under names, symbols, or marks *other than* the Marks anywhere, including inside and outside of the Protected Territory;

2. Sell or offer, or license others to sell or offer, any products or services, including but not limited to any educational software and programming, AI labs, or virtual reality (“VR”) development, using the Marks or other marks through any alternative distribution channels, including, without limitation, through e-commerce, in retail stores, via recorded media, via online videos, or via broadcast media, anywhere, including inside and outside of the Protected Territory without any compensation to you;

3. Solicit customers for you as well as advertise and promote sales of Franchised Businesses anywhere, including within the Protected Territory and advertise, or authorize others to advertise anywhere, using the Marks;

4. Acquire, be acquired by, or merge with other companies with existing similar businesses, and/or RobotLAB Franchised Businesses anywhere (including inside or outside of the Protected Territory) and, even if such businesses are located in the Protected Territory, (i) convert the other businesses to the RobotLAB name, (ii) permit the other businesses to continue to operate under another name, and/or (iii) permit the businesses to operate under another name and convert existing Businesses to such other name;

5. Engage in any other activity, action or undertaking that we are not expressly prohibited from taking under this Agreement; and

6. Take over sales opportunities you do not nurture and actively follow up on, as recorded in our Computer System. If you have not had a touchpoint over 30 days for an opportunity created, it becomes owned by corporate and will be fulfilled by corporate without any compensation to you. Consistent failure to follow up with open opportunities will be considered a material breach of the agreement.

You may not advertise, market, solicit, sell or service customers outside your Protected Territory (“Non-Exclusive Customers”), unless you are solicited or have a prior verifiable relationship with the Non- Exclusive Customer. If you sell products or services to a Non-Exclusive Customer, you must pay us or the incumbent franchise owner an encroachment fee equal to 50% of the gross profit for Non-Exclusive Customers sales outside of your Protected Territory (“Encroachment Fee”). We may permit you to advertise or market in areas adjacent to your Protected Territory that are not part of the Protected Territory of another franchisee or a company- or affiliate-owned outlet (an “Open Territory”). We reserve the right to revoke our consent at any time, and we may sell the Open Territory to another franchisee or establish a company- or affiliate-owned outlet in the Open Territory at any time, and you must immediately refrain from marketing or selling products and services in an Open Territory upon written notice from us. If we make a sale in the Franchisee’s Protected Territory, we may provide Franchisee the sale and right to service the client as long as franchisee is in good standing and actively running their Franchised Business.

~~notice from us. If we make a sale in the Franchisee’s Protected Territory, we will provide Franchisee the sale and right to service the client.~~

You may not use alternative channels of distribution, including the internet, catalog sales, telemarketing, or other direct marketing methods to make sales inside or outside your Protected Territory unless specifically authorized by us in writing.

Minimum Performance Standards

You need to achieve specified Gross Revenue to retain the Protected Territory under the Franchise Agreement (“Minimum Performance Standard(s”). If you operate more than one Block, your Minimum Performance Standards for the entire Franchised Business will be calculated by multiplying the Minimum Performance Standard by the number of Blocks you operate. For clarity, if you operate 2 Blocks, your Year 1 Minimum Gross Revenue will be \$2,000,000. More detailed information regarding Minimum Performance Standards can be found in Section 5(B) of the Franchise Agreement and we will detail the exact Minimum Performance Standards for your entire Protected Territory in Attachment A of the Franchise Agreement. Following the execution of the Franchise Agreement, the Minimum Performance Standard is as follows:

Minimum Performance Standards <u>Per Block</u>	
Period Following Original Opening	Minimum Gross Revenue
Year 1	\$1,000,000
Year 2	\$1,750,000
Year 3 and beyond	\$3,000,000

If, 60 days prior to the end of a full fiscal year, you are not on pace, or appear you will fail, to meet the Minimum Performance Standards in the fiscal year, we will require you to create an approved detailed plan of action, and you must diligently implement the approved plan of action during the next fiscal year in good faith and with our assistance. ~~If you fail to meet the Minimum Performance Standards for two consecutive years or are not executing the plan of action in good faith, we may reduce the size of your Protected Territory or elect to terminate your franchise agreement pursuant to Section 15 of the Franchise Agreement.~~

You are expected to diligently pursue business development within the Protected Territory. “Pursuing business development” shall be mean actively engaging in efforts to grow the business and generate leads, which include all of, but are not limited to, the following activities: hosting stages events, seminars, or other networking events; conducting brochure drops or distributing marketing materials within the territory; cold calling potential clients or businesses; attending networking events to build connections and expand awareness; participating in trade conferences, either in conjunction with the Franchisor or independently; promptly responding to leads and opportunities either provided by the Franchisor or generated by you, and actively nurturing them without a gap of more than 30 days between touch points; conducting product or service demonstrations and proofs of concept; meeting all Service Level Agreements contracted to customers by you, or us, or other franchisees to local and Key Accounts; having sufficient demo units to enable all customer sales, both in quantity and types of products and the knowledge how to operate and deploy them without assistance either for a demo, or for a complete installation; following up on all sales opportunities and inquiries; and engaging in community outreach or sponsorships to increase brand visibility. You will be required to demonstrate compliance by providing periodic updates on your business development efforts, which we may request and obtain at any time without notice. All your activities must be recorded on the Computer System. Activities outside the systems are not tracked and will not be used as a verification of activity. ~~If you fail to meet the Minimum Performance Standards for two consecutive quarters or are not executing the plan of action in good faith, we may reduce the size of your Protected Territory or elect to terminate your franchise agreement pursuant to Section 15 of the Franchise Agreement without compensation to you.~~

Damage or Destruction of Franchised Business

If a Franchised Business is destroyed or damaged by any cause beyond your control such that it may no longer continue to be open for the operation of business (“Destruction Event”), you must diligently work to repair and restore the Franchised Business to our approved plans and specifications as soon as possible. Under such circumstances, the Franchised Business will continue to be deemed a “Franchised Business in operation” for the purpose of the Franchise Agreement for up to 90 days after the occurrence. If a Franchised Business (i) is closed in a manner other than those described in the Franchise Agreement or as otherwise agreed by us in writing or (ii) fails to reopen within 90 days after a Destruction Event, then we may terminate the Franchise Agreement for that particular Franchised Business, and all of your territorial rights, if any, will be eliminated.

Additional Territory: Right of First Refusal

You will get the right of first refusal for any territory bordering your Protected Territory. We will notify you that we are in negotiation with another franchise candidate and will give your 14 days to execute your first right of refusal, by paying the Franchise Fee for the Blocks in the proposal we put together for the franchise candidate. If you are not interested, or not able to pay the Franchise Fee for the additional territory, we will be free to award it to any other interested party.

We will not grant to you any other options, rights of first refusal or similar rights to acquire additional franchises within a particular territory. Except as disclosed in this Item 12 or as specifically allowed in the Franchise Agreement, we cannot alter your territory rights, except as otherwise described in this Item 12 or in the Franchise Agreement.

ITEM 13. TRADEMARKS

Pursuant to the Franchise Agreement, you are granted a sub-license to operate a Franchised Business using the RobotLAB marks and other marks either owned by us or licensed to us by RobotLAB Inc. in connection with the operation of your Franchised Business (the “Marks”).

Some of the Marks are owned by our affiliate, RobotLAB Inc., and licensed to us under a license agreement (the “License Agreement”). In the License Agreement, RobotLAB Inc. authorizes us to use the Marks in connection with the offer, sale, and support of Franchised Businesses. The License Agreement does not contain any significant limitations on our right to use or license the Marks to you and is perpetual in duration and may be terminated unilaterally by either party only upon a material breach of the License Agreement. Upon termination of the License Agreement, you must immediately discontinue the use of the Marks and assign to RobotLAB Inc., all our franchise agreements licensing the use of the Marks, and RobotLAB Inc. has agreed to assume all obligations under such agreements arising from and after their assignment. In addition to the Marks in the chart below, franchisees may also use other marks, registered or unregistered, that we own or have the right to use through the License Agreement and that we designate as part of the Marks.

There are no agreements currently in effect that significantly limit our right to use or license the use of the Marks.

We have registered the following Marks with the Principal Register of the USPTO:

Mark	U.S. Registration No.	Registration Date
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RobotLAB Corp
2024 2025 FDD

ROBOTLAB	5577504	October 2, 2018
 	5620030	December 4, 2018

We have not yet been required to file any renewal affidavits but will do so as requested by the USPTO with respect to each of the Marks.

We claim common law rights to the Marks and other terms and phrases used regularly in connection with the System. We also claim common law rights to our designs, logos, and trade dress items, including color schemes and appearance, as well as copyright where applicable, but there have not been judicial determinations of the existence, validity, or extent of our rights. We claim and intend to rely on common law and/or statutory trade secret and unfair competition protection for the proprietary materials and information you are awarded a license to use under the Franchise Agreement.

There are presently no final effective determinations of the USPTO, the Trademark Trial and Appeal Board, or any trademark administrator of any state or any court proceedings which limit or restrict our right to use the above-described Marks or are relevant to your use of the Marks for your Franchised Business.

There are no currently effective determinations of the Patent and Trademark Office, the Trademark Trial and Appeal Board, the trademark administrator of any state or any court, or any pending infringement, opposition or cancellation proceeding, or any pending material litigation, involving any Marks that are relevant to the operation of your Franchised Business. There are currently no agreements in effect that significantly limit our rights to use or license the use of any Marks listed in this Item 13 in any manner material to the System or your Franchised Business. We are not aware of any superior rights or infringing uses, which could materially affect your use of the Marks.

We are not required to protect you against infringement or unfair competition claims arising out of your use of the Marks, or to participate in your defense or indemnify you. We reserve the right to control any trademark litigation and will take the action we believe is appropriate if a third party infringes our Marks. You must notify us promptly if you become aware of any infringement or unauthorized use of the Marks and cooperate with any action that we take. We will pay the cost and expense of all litigation we incur, including attorneys' fees, specifically related to the Marks. However, we are not required to take affirmative action when notified of these uses or claims. If any party claims that its rights to use any of the Marks are superior and we confirm that claim, you must, at your expense, immediately make the changes and use the substitutions to the Marks that we require.

You may not purchase a domain name, similar, or in conjunction with your [company name or](#) territory name as assigned by us. You may not operate any website other than your franchise's presence on our website. Your Franchise Business does not grant you rights to use our trademarks and trade names independently, and without prior written approval.

ITEM 14. PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We do not currently have any registered patents or pending applications with the USPTO. However, the technology and equipment used in the operation of RobotLAB Franchised Businesses are proprietary to RobotLAB Inc. and us.

The information in the Manuals is proprietary and is protected by copyright and other laws. The designs contained in the Marks, the layout of our advertising materials, and any other writings and recordings in print or electronic form are also protected by copyright and other laws. Although we have not applied for copyright registration for the Manuals, our advertising materials, the content and format of our products or any other writings and recordings, we claim common law and federal copyrights in these items. We grant you the right to use this proprietary and copyrighted information ("Copyrighted Works") for the operation of your RobotLAB Franchised Businesses, but such copyrights remain our sole property.

There are no effective determinations of the United States Copyright Office or any court regarding any Copyrighted Works of ours, nor are there any proceedings pending, nor are there any effective agreements between us and third parties pertaining to the Copyrighted Works that will or may significantly limit using our Copyrighted Works.

Our Manuals, electronic information and communications, sales and promotional materials, the development and use of our System, standards, specifications, policies, procedures, information, concepts and systems on, knowledge of, and experience in the development, operation and franchising of RobotLAB Franchised Businesses, our training materials and techniques, information concerning product and service sales, operating results, financial performance and other financial data of RobotLAB

employed by a company other than your Franchised Business. In the event that your Controlling Person resigns or is otherwise terminated, you must hire a replacement approved by us in writing who meets our then current standards for Controlling Person and who is approved by us in writing before hiring, within 30 days after the resignation or termination of the former Controlling Person. You must train the new Controlling Person within 30 days of hiring. Your Controlling Person and certain key employees and their spouses will be bound by the confidentiality and non-compete covenants of the Franchise Agreement.

Each Franchised Business must also be under the direct, on-premises supervision of either you directly or of a manager:

(a) who has been properly trained by you;

(a) who has completed the initial training we conduct, NFOT; and

(b) who has been approved by us and whose identity has been disclosed to us in writing; and

(b) (c) who shall have executed, upon our request, an invention assignment and confidentiality agreement in the form provided by us agreeing not to divulge any trade secret or confidential or proprietary information, including the contents of the Manuals.

We may require every general partner and limited partner, if you are a partnership or limited partnership; or every member, if you are a limited liability company, or every stockholder or other holder of equity interest, if you are a corporation (collectively, “Owners”) and your spouses, to personally guarantee your obligations under the Franchise Agreement and also agree to be personally bound by, and jointly and severally liable for the breach of, any provision of the Franchise Agreement. The Owners and their spouses agree to discharge all their obligations under the Franchise Agreement. Furthermore, all Owners and their spouses are bound by all provisions of the Franchise Agreement, including but not limited to maintaining the confidentiality of proprietary information and trade secrets as described in Item 14 and the noncompete covenants described in Item 17. Lastly, the Owners, Owners’ spouses, management personnel, and employees who are provided access to the Manuals or other confidential information must sign a Confidentiality Agreement.

ITEM 16.

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer and sell only those goods and services that we have approved. You also must offer all goods and services that we designate as required for all franchisees. You and your team will not be able to offer products you are not certified (via our required training) to sell. We may, in our discretion, add new training materials, goods, and services based on our evaluation of numerous factors, including customer demands, [product performance](#), the geographic location of your Franchised Business, and any other factor which we deem important to the operation of your Franchised Business. Our right to modify the approved list of goods and services to be offered to you in the operation of your Franchised Business is not limited.

You may offer the sale of the approved goods and services from your Franchised Business location to any person or business location domiciled within your Protected Territory. Unless specifically authorized by us, you may only deliver merchandise or offer services from your Franchised Business to customers residing within your Protected Territory or to business locations within your Protected Territory.

On a case-by case basis, we may allow you to sell outside your territory, if there are no other franchised businesses in that area, and if we deem that you are better suited to service these customers than our corporate team. In the event that you sold products in an area that becomes someone’s else territory later on, you are obligated to assign the service contract to the new owner of that territory, and transfer sums that are equal to the remainder of the service contract you have with such customers, to the

You may not advertise, market, solicit, sell or service to Non-Exclusive Customers, unless you are solicited or have a prior verifiable relationship with the Non-Exclusive Customer. Notwithstanding the foregoing, you must pay us or the incumbent franchise owner an Encroachment Fee of 50% of the profits attributed to unauthorized sales of products or services to Non-Exclusive Customers.

You may not use alternative channels of distribution, including the internet, catalog sales, telemarketing, or other direct marketing methods to make sales inside or outside your Protected Territory unless specifically authorized by us in writing.

You may not sell or accept in trade any goods (including automated robots or similar technology), in the operation of your Franchised Business that are not provided by an Approved Supplier or that you believe may be stolen, have been recalled, are knowingly counterfeit, or are otherwise unsafe upon inspection. Furthermore, you may only use advertising and promotional materials that we approve.

If you identify educational robot sales opportunities within an educational institution in your area, please introduce it to our education team and we will pay you a 10% commission when a deal is closed. Although you get full access to our current and future product catalog, we do not recommend you attempt to sell educational robots (teaching aids) to educational institutions because purchase decisions often require an **18-24** 18-24-month time investment for an initial order; however, you are encouraged to promote and sell non- educational robots from our approved products, such as delivery, cleaning, security, and cooking robots to educational institutions.

**ITEM 17.
RENEWAL, TERMINATION, TRANSFER AND DISPUTE**

RESOLUTION THE FRANCHISE RELATIONSHIP

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

A. Franchise Agreement

Provision		Section in Franchise Agreement	Summary
a.	Length of the franchise	Section 2(A)	10 years.
b.	Renewal or extension of the term	Section 2(B)	If you meet the renewal requirements set forth in the Franchise Agreement, you can renew the Franchise Agreement for additional 5-year period(s).
c.	Requirements for you to renew or extend	Section 2(B)	Provide advance notice in writing, sign then current Franchise Agreement, pay renewal fee, remodel, meet all current Brand Standards, secure extension of lease and be in compliance with the Franchise Agreement during the term of the Agreement. You may be asked to sign a Franchise Agreement with materially different terms and conditions than your original Franchise Agreement.
d.	Termination by you	Section 16(A)	If you are complying with the Franchise Agreement, and we fail to cure a material default within 30 days after our receipt of written notice, subject to state law.

<u>Provision</u>		<u>Section in Franchise Agreement</u>	<u>Summary</u>
e.	Termination by us without cause	Not Applicable	Not Applicable
f.	Termination by us with cause	Sections 15(A) and (B)	We can terminate the Franchise Agreement only if you default.
g.	“Cause” defined – curable defaults	Sections 15(A) and (B)	Grounds for termination for the following are subject to state law: A violation of any material provision of the Franchise Agreement, non-payment of amounts owed to us or any applicable law, failure to advertise for the Franchised Business, failure to advertise for the Franchised Business, failure to abide by standards and requirements in operating the Franchised Business, an assignment of assets to creditors and the expiration or termination of the Franchised Business’s lease.
Provision		Section in Franchise Agreement	Summary
h.	“Cause” defined – non- curable defaults	Sections 15(A) and (B);	Grounds for termination for the following are subject to state law: Failure to open the Franchised Business within 4 months after you sign the Franchise Agreement, insolvency, conviction of felony or violation of a statute which harms the Franchised Business’s reputation, abandonment of the Franchised Business, intentionally falsify any information provided to us, repeated defaults even if cured, defaults which cannot be cured, repeatedly deceives RobotLAB customers, defaults which impair the good reputation associated with our trademarks, uncured defaults on any other agreement with us, our subsidiaries or affiliates, frequent and/or severe complaints from customers and/or employees, failure to cooperate, failure to achieve the Minimum Performance Standards for two (2) consecutive yearsquarters ; and timely complete audit violation of the in- in- term covenant not to compete.
i.	Your obligations on termination/non-renewal	Section 17	Pay all amounts due to us, return manuals and other materials to us, disconnect the telephone number and assign it to us, redecorate the Franchised Business premises, return, or destroy all copies of the Computer System other than hardware components purchased by you, disconnect any Franchised Business-related internet website, and remove signs containing any Marks (also see (r), below).

<u>Provision</u>		<u>Section in Franchise Agreement</u>	<u>Summary</u>
l.	Our approval of transfer by you	Section 14(C)	We have the right to consent to all transfers of the Franchise Agreement but will not unreasonably withhold consent.
m.	Conditions for our approval of transfer	Section 14(C)	New franchisee must qualify and complete training, pay transfer fee, you must pay all amounts owed to us and be in good standing, new franchisee assumes existing Agreement or (at our option) signs then-current agreement, we have determined that the purchase price and payment terms will not adversely affect the new franchisee's operation of the
<u>Provision</u>	<u>Section in Franchise Agreement</u>		<u>Summary</u>
<u>m.</u>	<u>Conditions for our approval of transfer</u>	<u>Section 14(C)</u>	<u>New franchisee must qualify and complete training, pay transfer fee, you must pay all amounts owed to us and be in good standing, new franchisee assumes existing Agreement or (at our option) signs then-current agreement, we have determined that the purchase price and payment terms will not adversely affect the new franchisee's operation of the</u> Franchised Business, if the transfer is financed by you, you agree that all of the new franchisee's obligations under promissory notes, agreements or security interests in the Franchised Business are subordinate to the new franchisee's obligation to pay fees owed to us under the Franchise Agreement and you agree to observe all post-termination obligations under Franchise Agreement (also see (r), below).
n.	Our right of first refusal to acquire your business	Section 13	We can match any offer for your business.
o.	Our option to purchase your business	Not Applicable, except as indicated in (n), above	Not Applicable.
p.	Your death or disability	Section 13(B)	You can transfer stock to other shareholders without offering us a right of first refusal; if assignee is your spouse or child, no transfer fee is required.
q.	Non-competition covenants during the term of the Franchise Agreement	Section 18(A)	No direct or indirect involvement in any business involving the purchase and/or sale of robot retail services other than your Franchised Business as authorized in the Franchise Agreement (without our prior written consent, subject to state law).

<u>Provision</u>		<u>Section in Franchise Agreement</u>	<u>Summary</u>
t.	Integration/merger clause	Section 20(G);	Only the terms of the Franchise Agreement are binding, subject to applicable state law. No other promises may not be enforceable. No provision in the Franchise Agreement or any other document is intended to disclaim the representations or promises made in this Disclosure Document. The representations or promises outside of the Franchise Disclosure Document and other agreements may not be enforceable.
Provision	Section in Franchise Agreement		Summary
u.	Dispute resolution by arbitration or mediation	Section 19(A)	Except for certain claims, all disputes will be arbitrated in Dallas, Texas, subject to applicable state law.
v.	Choice of forum	Sections 18(D) and 19	All disputes that are subject to arbitration will be arbitrated in Dallas Tarrant County , Texas. All claims may be decided by any court of competent jurisdiction located closest to Dallas County , Texas, subject to applicable state law.
w.	Choice of law	Section 20(D)	Apply law of the state of Texas, subject to applicable state law.

**ITEM 18.
PUBLIC FIGURES**

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

**ITEM 19.
FINANCIAL PERFORMANCE REPRESENTATIONS**

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

[Below we disclose the historical financial performance of our franchised outlets operating at any point during the trailing 12 months from April 1, 2024 to March 31, 2025 \(the “Measuring Period”\). This representation is based on 13 operating franchised locations who ordered robots and recorded sales in the Measuring Period. We have excluded any franchised outlets who did not record robot sales and only obtained revenue through the transfer of service contracts from our affiliate, RobotLAB Inc to the outlet. To the extent the disclosed outlets also earned revenue through service contracts, that amount is](#)

[included in the tables.](#)

The explanatory notes included with the following charts are an integral part of this financial performance representation and should be read in their entirety for a full understanding of the information contained in the following charts.

Table 1

This Table 1 discloses the invoice performance data for the disclosed franchised outlets during the Measuring Period.

	<u>Invoice Amount</u>
<u>Max</u>	<u>\$855,154</u>
<u>Min</u>	<u>\$1,180</u>
<u>Median</u>	<u>\$7,320</u>
<u>Average</u>	<u>\$26,042</u>
<u># of Invoices at or above Average</u>	<u>18 (22%)</u>

Table 2

This Table 2 discloses the invoice-level gross profit margin for the disclosed franchised outlets during the Measuring Period.

	<u>Gross Margin¹</u>
<u>Max</u>	<u>83%</u>
<u>Min</u>	<u>39%</u>
<u>Median</u>	<u>53%</u>
<u>Average</u>	<u>57%</u>

Notes to Tables above:

1. The invoices used to calculate margin include the sale of robots and service contracts. There are 81 total invoices measured in Table 1. 41 monthly invoices are for warranty transfers of existing customers from us to franchisees.

2. “Gross Margin” is calculated as the invoice amount minus the Cost of Goods Sold. All royalties and transaction fees apply to invoice-level income from customers and will be deducted from the gross margin percentages mentioned above before paid to you.

3. You will get 30% discount off MSRP, (which is typically set by manufacturers), from each product that needs to be sourced from a vendor (such as, but not limited to: robots, accessories, consumables, custom software, etc.).

4. You and your team will be trained on providing services to customers, and you will retain 100% of services income from services you will provide to customers. (Such as, but not limited to: warranties, installation services, repairs, content creation, etc.) If you need our team to interface with the

customers, we will charge you our standard rates as published from time to time.

5. About 75% of the customers are taking warranties, and we see an average income of 18% of the robot cost as warranty income, per robot, per year. You will experience on average \$250 cost of parts, per robot, per year, to satisfy parts purchases needed from us.

Additional Notes about Outlet Performance:

1. Written substantiation to support the information appearing in this financial performance representation is available to you upon reasonable request.

Some outlets have earned this amount. Your individual results may differ. There is no assurance that you'll earn as much.

We Other than the preceding financial performance representation, we do not make any representations about a franchisee’s future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Elad Inbar, 950 East State Highway 114 STE 160, Southlake, Texas 76092 by email at Franchise@RobotLAB.com, or by phone at 415-702-3033, the Federal Trade Commission, and the appropriate state regulatory agencies.

**ITEM 20.
OUTLETS AND FRANCHISEE INFORMATION**

**TABLE 1
SYSTEMWIDE OUTLET SUMMARY
FOR YEARS 2022 TO 2024
Systemwide Outlet
Summary For Years 2021 to
2023**

Outlet Type*	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised Business Locations	2021 2022	0	0	0
	2022	0	0	0
	2023	0	5 5	+5
	<u>2024</u>	<u>5</u>	<u>29</u>	<u>+24</u>
Company-Owned Locations	2021 2022	1	1	0
	2022	1	1	0
	2023	1	1	0
Total Locations	2021 2024	1	10 10	0 -1
	2022	1	1	0
	2023	1	6	+5
<u>Total Locations</u>	<u>2024</u>	<u>6</u>	<u>29</u>	<u>+23</u>

*Our franchised outlets operate in Blocks, currently we have ~~5~~ 29 outlets operating ~~16.5~~ 64 Blocks.

TABLE 2
Transfers of Outlets From Franchisee to
New Owner (Other than Company-
Owned Locations)
For Years 2021 to 2023

TRANSFERS OF OUTLETS FROM FRANCHISEE TO NEW OWNER
(OTHER THAN COMPANY-OWNED LOCATIONS) FOR YEARS 2022 TO 2024

State	Year	Number of Transfers
TOTAL	2021 <u>202</u>	0
	2022	0
	2023	0
	<u>2024</u>	<u>0</u>

TABLE 3
Status of Franchised
Businesses For Years 2021 to
2023

STATUS OF FRANCHISED BUSINESSES
FOR YEARS 2022 TO 2024

State	Year	Outlets at the Start of the Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations For Other Reasons	Outlets at the End of the Year
2021	0	0	0	0	0	0	0	0
FL	2022	0	0	0	0	0	0	0
	2023	0	<u>10</u>	0	0	0	0	<u>10</u>
	<u>2021</u> <u>2024</u>	0	<u>01</u>	0	0	0	0	<u>01</u>
CO								
NC								
FL	2022	0	0	0	0	0	0	0
	2023	0	<u>21</u>	0	0	0	0	<u>21</u>
	<u>2021</u> <u>2024</u>	<u>01</u>	<u>03</u>	0	0	0	0	<u>04</u>
NJ								
GA	2022	0	0	0	0	0	0	0
	2023	0	<u>10</u>	0	0	0	0	<u>10</u>
	<u>2021</u> <u>2024</u>	0	<u>02</u>	0	0	0	0	<u>02</u>
TX								
NC	2022	0	0	0	0	0	0	0
	2023	0	<u>12</u>	0	0	0	0	<u>12</u>
	<u>2021</u> <u>2024</u>	<u>02</u>	0	0	0	0	0	<u>02</u>
TOTAL								
NJ	2022	0	0	0	0	0	0	0
	2023	0	<u>51</u>	0	0	0	0	<u>51</u>
	<u>2024</u>	<u>1</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
NV	<u>2022</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>2023</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>2024</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
NY	<u>2022</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>2023</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>2024</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
PA	<u>2022</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>2023</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>2024</u>	<u>0</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
TN	<u>2022</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>2023</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>2024</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
TX	<u>2022</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>2023</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>

	<u>2024</u>	<u>1</u>	<u>5</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6</u>
<u>VA</u>	<u>2022</u>	<u>0</u>						
	<u>2023</u>	<u>0</u>						
	<u>2024</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
<u>IL</u>	<u>2022</u>	<u>0</u>						
	<u>2023</u>	<u>0</u>						
	<u>2024</u>	<u>0</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
<u>MN</u>	<u>2022</u>	<u>0</u>						
	<u>2023</u>	<u>0</u>						
	<u>2024</u>	<u>0</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>

<u>State</u>	<u>Year</u>	<u>Outlets at the Start of the Year</u>	<u>Outlets Opened</u>	<u>Terminations</u>	<u>Non-Renewals</u>	<u>Reacquired by Franchisor</u>	<u>Ceased Operations For Other Reasons</u>	<u>Outlets at the End of the Year</u>
MD	<u>2022</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>2023</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>2024</u>	<u>0</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
TOTAL	<u>2022</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>2023</u>	<u>0</u>	<u>5</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5</u>
	<u>2024</u>	<u>5</u>	<u>24</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>29</u>

*Our franchised outlets operate in Blocks, currently we have **5** 29 outlets operating **16.5** 64 Blocks.

TABLE 4
Status of Company-Owned
Locations For Years 2021 to 2023

STATUS OF COMPANY-OWNED LOCATIONS
FOR YEARS 2022 TO 2024

State	Year	Outlets at the Start of the Year	Outlets Opened	Outlets Reacquired From Franchisees	Company-Owned Outlets Closed	Outlets Sold to Franchisees	Outlets at the End of the Year
TX	2021	1	0	0	0	1	1
	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
TX	<u>2022</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<u>2023</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<u>2024</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>0</u>
TOTAL	<u>2022</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<u>2023</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<u>2024</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>0</u>

TABLE 5
Projected Openings as of December 31, 2023

PROJECTED OPENINGS AS OF DECEMBER 31, 2024

State	Franchise Agreements Signed But Franchised Business Outlet Not Opened	Projected New Blocks Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
California	0 <u>2</u>	20 <u>3</u>	0
Florida	0 <u>1</u>	20 <u>2</u>	0
Georgia	0	20 <u>2</u>	0

New York Hawaii	0 <u>1</u>	20 <u>0</u>	0
North Carolina Oregon	0 <u>1</u>	20 <u>0</u>	0
Texas Pennsylvania	0 <u>1</u>	20 <u>1</u>	1 <u>0</u>
Wisconsin	<u>1</u>	<u>0</u>	<u>0</u>
TOTAL	0 <u>7</u>	120 <u>8</u>	1 <u>0</u>

Our fiscal year ends on December 31 of each year.

Exhibit C lists the names of all current and former franchisees and the addresses and telephone numbers of their Franchised Businesses as of the issuance date of this Disclosure Document.

There are no franchisees who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during our most recently completed fiscal year or who has not communicated with us within 10 weeks of the issuance date of this Disclosure Document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise or System.

During the last three (3) years, no current or former franchisees have signed confidentiality clauses that restrict them from discussing with you their experiences as a franchisee in our system.

There are no independent franchisee organizations associated with the franchise or System.

**ITEM 21.
FINANCIAL STATEMENTS**

Attached as Exhibit A to this Disclosure Document are our audited financial statements for the **period periods** ending December 31, **2023** **2024** and **July 31, 2023, and unaudited opening balance sheet for April 1, December 31, 2023**. As we were formed in January 2023 and began offering franchises in April 2023, we have not been in business for three years or more and cannot include all financial statements required by the FTC Rule for our last three fiscal years. Our fiscal year ends on December 31.

**ITEM 22.
CONTRACTS**

The following agreements are attached as exhibits to this Disclosure Document:

Contract	Location in this Disclosure Document
Franchise Agreement (FA)	Exhibit E
Franchisee Compliance Questionnaire	Attachment to FA
Form of General Release	Exhibit G
Form of Confidentiality and Noncompete Agreement	Exhibit H
State-Required Addenda and Riders	Exhibit I
Form Financing Agreement	Exhibit J
Receipts	Attached as last 2 pages

**ITEM 23.
RECEIPTS**

Attached as the last two pages of this Disclosure Document, are detachable Receipts to be signed by you. Please sign both, keep one for your records, and return a copy to us at RobotLAB Corp, 950 East State Highway 114 STE 160, Southlake, Texas 76092.

Financial Statements
**ROBOTLAB FRANCHISING LLC D/B/A
ROBOTLAB CORP**

**JANUARY 22, 2023 (INCEPTION) THROUGH DECEMBER 31,
2023**



Outside the box. Within the lines.

**ROBOTLAB FRANCHISING LLC D/B/A ROBOTLAB
CORP DECEMBER 31, 2023**

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Statement of Cash Flows	5
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INDEPENDENT AUDITORS' REPORT

**To the Board of Directors
RobotLAB Franchising LLC D/B/A
RobotLAB Corp Southlake, Texas**

Opinion

We have audited the accompanying financial statements of RobotLAB Franchising LLC D/B/A RobotLAB Corp (a Delaware Limited Liability Company), which comprise the balance sheet as of December 31, 2023, and the related statements of operations, members' equity (deficiency), and cash flows for the period from January 22, 2023 (inception) to December 31, 2023, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of RobotLAB Franchising LLC D/B/A RobotLAB Corp (the "Company") as of December 31, 2023, and the results of its operations and its cash flows for the period 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 the Company's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 auditors' 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 the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to

continue as a going concern for a reasonable period of time.

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

Wexford,



Pennsylvania
April 14,
2024

**ROBOTLAB FRANCHISING LLC D/B/A
ROBOTLAB CORP BALANCE SHEET
AS OF DECEMBER 31, 2023**

<u>ASSETS</u>	
Current Assets:	
Cash	\$ 38,856
Accounts receivable	481,942
Deferred consulting fee	<u>14,000</u>
Total Current Assets	534,798
Deferred Consulting Fee	<u>121,583</u>
Total Assets	<u>\$ 656,381</u>

LIABILITIES AND MEMBERS' DEFICIENCY

Current Liabilities:	
Accounts payable	\$ 1,649
Related party payables	445,815
Accrued payroll	266,526
Deferred franchise fee revenue	<u>49,876</u>
Total Current Liabilities	763,866
Deferred Franchise Fee Revenue	<u>432,144</u>
Total Liabilities	1,196,010
Members' Deficiency	<u>(539,629)</u>
Total Liabilities and Members' Deficiency	<u>\$ 656,381</u>

**ROBOTLAB FRANCHISING LLC D/B/A
ROBOTLAB CORP STATEMENT OF
OPERATIONS AND MEMBERS' DEFICIENCY
FOR THE PERIOD JANUARY 22, 2023 (INCEPTION) THROUGH DECEMBER 31,
2023**

Revenues:	
Equipment fees	\$ 442,000
Franchise revenues	126,217
Initial franchise fees	<u>16,740</u>
Total Revenues	584,957
Operating Expenses	<u>1,125,586</u>
Net Loss	(540,629)
Members' Equity, at inception (January 22, 2023)	-
Contributions	<u>1,000</u>
Members' Deficiency, Ending	<u><u>\$ (539,629)</u></u>

ROBOTLAB FRANCHISING LLC D/B/A
ROBOTLAB CORP STATEMENT OF
CASH FLOWS
FOR THE PERIOD JANUARY 22, 2023 (INCEPTION) THROUGH DECEMBER 31,
2023

Operating Activities: Net Loss

Adjustments to reconcile net loss to net cash provided by (used in) operating activities:

Changes in assets and liabilities:

\$ (540,629)

Accounts receivable	(481,942)
Deferred consulting fee	(135,583)
Accounts payable	1,649
Accrued payroll	266,526
Deferred franchise fee revenue	<u>482,020</u>

Net Cash Used in Operating Activities

(407,959) Financing Activities

Related party payables	445,815
Member contributions	<u>1,000</u>
Net Cash Provided by Financing Activities	<u>446,815</u>
Increase in Cash	38,856
Cash - Beginning of Period	<u>-</u>

Note 1 – Nature of Planned Operations

Cash - End of Period	<u>\$ 38,856</u>
----------------------	------------------

Nature of Operations – RobotLAB Franchising, LLC D/B/A RobotLAB Corp. (the “Company”) incorporated under the laws of Delaware on January 22, 2023, offers franchises the operation of a RobotLAB® retail sales business which includes the sale of advanced robots for automated tasks such as food ordering, delivery, cleaning, guidance and customer interaction in the restaurant, hospitality, assisted-living, and medical industries. The Company has associated entities, RobotLAB, Inc. and RobotLAB Financial Services LLC. RobotLAB, Inc. owns the equipment purchased by the franchisees and pays for operating expenses on behalf of the Company. RobotLAB Financial Services LLC can be utilized by the franchisees to finance the various costs of purchasing the franchise.

Note 2 – Summary of Significant Accounting Policies

Basis of Accounting – The Company uses the accrual basis of accounting in accordance with U.S. GAAP, whereby revenue is recognized when earned and expenses are recorded as incurred.

Cash – The Company maintains cash and cash equivalents which are fully insured by the Federal Deposit Insurance Corporation (“FDIC”). From time-to-time amounts exceed FDIC limits.

Accounts Receivable – The Company grants credit without collateral to a majority of its franchisees and records accounts receivable at the time when a new franchise agreement is signed or the contractual criteria for billing has been satisfied. Collectability of receivables is periodically assessed, providing the basis for the allowance for credit losses accounts and related credit loss expense. Management determined no allowance for credit losses accounts was necessary as of December 31, 2023.

Deferred Revenue – The Company defers recognition of the initial franchise fee revenue until substantially all initial services required by the franchise or license agreement are performed.

Members’ Equity – Membership interest in the Company is composed of 100 membership units.

Revenue Recognition – Revenue is measured based on consideration specified in contracts with franchisees and excludes incentives and amounts collected on behalf of third parties. The Company recognizes revenue when it satisfies a performance obligation by transferring control of a product or service to a franchisee. The following describes principal activities, separated by major product service, from which the Company generates its revenues:

Initial Franchise Fees

The initial franchise fees are calculated as follows:

Number of Franchised Businesses

Initial Franchise Fee (for each Franchised Business)

First	\$54,900
Second	\$44,500
Thereafter	\$34,500

ROBOTLAB FRANCHISING LLC D/B/A ROBOTLAB CORP NOTES TO FINANCIAL STATEMENTS (CONTINUED) DECEMBER 31, 2023

Note 2 – Summary of Significant Accounting Policies – Continued

The initial fees are paid in consideration of the rights granted in the franchise agreement and are non-refundable. The initial fees are recognized as revenue over the term of the initial franchise agreement, which is ten years. Subject to certain requisites, the Company may renew the term of a franchisee upon expiration of the initial term, for an additional five-year period. The renewal fee, to be no more than 25% or \$10,000 of the then current initial franchise fee, whichever is greater, is paid in consideration of the rights granted in the franchise agreement and is non-refundable. The renewal fee is recognized as revenue over the term of the renewal period.

Equipment Fees

The initial equipment package fee is \$110,500 from RobotLAB, Inc. (as defined in the franchise agreement). Financing is available for this package through RobotLAB Financial Services LLC and requires a minimum \$15,000 down payment. The franchisee obtains control of the equipment and revenue is recognized upon the execution of the franchise agreement. When equipment is financed, the Company receives monthly payments from RobotLAB Financial Services LLC as customer payments are made. As of December 31, 2023, there is one franchise with a financed equipment package.

Franchise Royalties

Franchise royalties are calculated based upon 7% of franchisee gross revenue (as defined in the franchise agreement). Franchise royalties are collected and recognized as revenue on a per transaction basis. The Company utilizes a centralized payment processing system for its franchisees, which allows franchise royalties to be collected at the time of payment by the customer.

Brand Fund Revenue

Brand fund revenue is calculated at 1% of franchisee gross revenue (as defined in the franchise agreement). The Company may charge an additional brand fund fee not to exceed 3% of franchisee gross revenue. The Company will use the brand fund fee to conduct advertising research and public relations campaigns, develop websites and other online media programs, develop marketing materials such as television, radio, internet, and print advertising production, and promotional materials for use in each Franchisee's local market, and implement advertising and marketing campaigns. Brand fund revenues are collected and recognized as revenue on a per transaction basis and collected at the time of payment by the customer.

Local Area Marketing Revenue

Local area marketing revenue is calculated at 3% of franchisee gross revenue per month (as defined in the franchise agreement) and will begin in the first full month after the date the franchised business opens. The local area marketing requirement may increase up to a maximum of 5% of franchisee gross revenue (as defined in the franchise agreement). Local area marketing revenue is recognized by the Company in the month charged.

Franchisees are required to participate in any local marketing cooperatives established by the Company or by a majority of the Franchised Businesses in the designated market area where two or more unaffiliated franchises are located and operated.

ROBOTLAB FRANCHISING LLC D/B/A ROBOTLAB CORP NOTES TO FINANCIAL STATEMENTS (CONTINUED) DECEMBER 31, 2023

Note 2 – Summary of Significant Accounting Policies – Continued

Technology Fee Revenue

Franchisees are required to pay \$485 per employee in the organization with an email address or access to any of the online systems or for other technology-related services provided by the Company. Revenues are recognized in the month charged.

Pre-Opening Services

Pre-opening services include training and general assistance. The Company has adopted the franchisor practical expedient Accounting Standards Update (ASU) 2021-02, Franchisors – Revenue from Contracts with Customers (Subtopic 952-606), which allows the Company to treat pre-opening services as distinct from one another. Training is provided to the franchisee at no additional cost unless additional training is required. Additional training fees are recognized when the service is provided. Pre-opening assistance is provided to the franchisee as needed, and recognized when the service is charged.

Other Non-Recurring Fee Revenue

The Company also reserves the right to charge franchisees for various non-recurring services. Non-recurring services are recognized when the service is charged.

Income Taxes – The Company’s taxable status, as determined by management, is a pass-through entity and the Company has no recorded liability for uncertain tax positions. Therefore, no provision for income tax is included in the financial statements. Management continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings.

Fair Value of Financial Instruments – The recorded accounts receivable, accounts payable, related party accounts payable, and accrued payroll approximate fair value due to the short-term nature of the financial instruments.

Use of Estimates – The preparation of the 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 amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

New Accounting Standard – In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments – Credit Losses (Topic 326)*. Topic 326 aims to replace the incurred loss impairment methodology under current GAAP with a methodology that reflect expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. Topic 326 was subsequently amended by ASU 2022-02, *Financial Instruments – Credit Losses (Topic 326): Troubled Debt Restructurings and Vintage Disclosures*; ASU 2019-11, *Codification Improvements to Topic 326, Financial Instruments – Credit Losses*; 2019-10, *Financial Instruments – Credit Losses (Topic 326), Derivatives and Hedging (Topic 815), and Leases (Topic 842)*; and ASU 2019-05, *Financial Instruments – Credit Losses (Topic 326): Targeted Transition Relief*. The Company was incorporated January 22, 2023, therefore, Topic 326 did not result in any material adjustments to balance sheet accounts, net loss, or retained earnings (deficit).

**ROBOTLAB FRANCHISING LLC D/B/A
ROBOTLAB CORP NOTES TO
FINANCIAL STATEMENTS
(CONTINUED) DECEMBER 31, 2023**

Note 3 – Franchising

The Company grants franchise licenses to prospective franchisees. The initial term of each license begins on the effective date of the franchise agreement and ends on the tenth anniversary thereof. Upon expiration of the initial term, and subject to certain requisites, the franchisee has the option to renew the franchise agreement for additional five-year periods.

There were five franchisees sold during the period ended December 31, 2023. Three franchisees commenced principal operations, and no franchises closed during the period ended December 31, 2023.

Note 4 – Related Party Transactions

RobotLAB, Inc. pays for operating expenses on behalf of the Company and will bill the Company monthly for these expenses to be reimbursed. During the period ended December 31, 2023, the Company incurred \$1,077,341 of operating expenses under this arrangement with RobotLAB Inc., of which, \$712,341, including \$266,526 of accrued payroll, remained unpaid as of December 31, 2023.

Additionally, as of December 31, 2023, the Company has accounts receivable of \$110,500 from RobotLAB Financial Services LLC related to the financed initial equipment purchase for one of the Company’s franchisees. No payments were received from RobotLAB Financial Services LLC as of December 31, 2023.

Note 5 – Subsequent Events

Management has evaluated all subsequent events through April 14, 2024, the date the financial statements were available to be issued and determined that no

material subsequent events have occurred.

THESE 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.

Time 5:00 PM

RobotLAB Franchising, LLC Balance Sheet
As of April 01, 2023

Date **01-Apr-23 Accrual**
Basis

ASSETS

Current Assets

Apr. 01, 23

Cash/Cash Equivalent \$ 1,000,000.00

Total Current Assets \$ 1,000,000.00

TOTAL ASSETS \$ 1,000,000.00

LIABILITIES & EQUITY

Equity

Members' Equity \$ 1,000,000.00

Total Equity \$ 1,000,000.00

TOTAL LIABILITIES & EQUITY \$ 1,000,000.00



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Financial Statements

**ROBOTLAB FRANCHISING LLC D/B/A
ROBOTLAB CORP**

**JANUARY 22, 2023 (INCEPTION) THROUGH JULY 31,
2023**

Holsinger P.C.

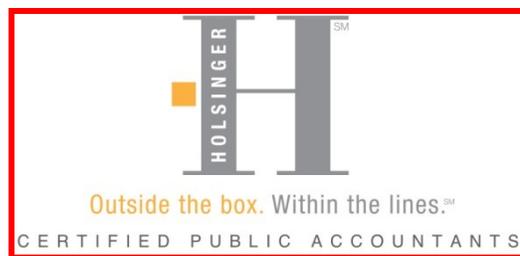


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ROBOTLAB FRANCHISING LLC D/B/A
ROBOTLAB CORP
JULY 31, 2023



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Balance Sheet	3
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Statement of Cash Flows	5
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
RobotLAB Franchising LLC D/B/A
RobotLAB Corp Southlake, Texas

Opinion

We have audited the accompanying financial statements of RobotLAB Franchising LLC D/B/A RobotLAB Corp (a Delaware Limited Liability Company), which comprise the balance sheet as of July 31, 2023, and the related statements of operations, members' equity, and cash flows for the period from January 22, 2023 (inception) to July 31, 2023, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of RobotLAB Franchising LLC D/B/A RobotLAB Corp (the "Company") as of July 31, 2023, and the results of its operations and its cash flows for the initial period 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 the Company's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 auditors' 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 the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

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

Wexford,
Pennsylvania
a September
6, 2023

**ROBOTLAB FRANCHISING LLC D/B/A
ROBOTLAB CORP BALANCE SHEET
AS OF JULY 31, 2023**

ASSETS

Current Assets:

Cash	\$ 40,305
Accounts receivable	104,975
Deferred consulting fee	<u>6,000</u>
Total Current Assets	151,280
Deferred Consulting Fee	<u>53,000</u>
Total Assets	<u>\$ 204,280</u>

LIABILITIES AND MEMBERS' EQUITY

Current Liabilities:

Deferred franchise fee revenue

\$ 9,940

Total Current Liabilities	9,940
Deferred Franchise Fee Revenue	87,803
Members' Equity	<u>106,537</u>
Total Liabilities and Members' Equity	<u>\$ 204,280</u>

ROBOTLAB FRANCHISING LLC D/B/A
ROBOTLAB CORP STATEMENTS OF
OPERATIONS AND MEMBERS' EQUITY
FOR THE PERIOD JANUARY 22, 2023 (INCEPTION) THROUGH JULY 31, 2023

Revenues: Equipment fees

\$ 104,975

Initial franchise fees

1,657

Total Revenues

106,632

General and Administrative Expenses

1,095 Net Income

Members' Equity, at inception (January 22, 2023)

- Contributions

Members' Equity, Ending

\$ 106,537

ROBOTLAB FRANCHISING LLC D/B/A
ROBOTLAB CORP STATEMENT OF
CASH FLOWS

FOR THE PERIOD JANUARY 22, 2023 (INCEPTION) THROUGH JULY 31, 2023

Operating Activities: Net Income

Adjustments to reconcile net income (loss) to net cash provided by (used in)
operating activities:

Changes in assets and liabilities:

\$ 105,537

Accounts receivable	(104,975)
Deferred consulting fee	(59,000)
Deferred franchise fee revenue	<u>97,743</u>

Net Cash Provided by (Used in) Operating Activities

39,305 Financing Activities

Member contributions	<u>1,000</u>
Net Cash Provided by (Used in) Financing Activities	<u>1,000</u>
Increase (Decrease) in Cash	40,305
Cash - Beginning of Period	<u>-</u>
Cash - End of Period	<u>\$ 40,305</u>

Note 1 – Nature of Operations

Nature of Operations – RobotLAB Franchising, LLC D/B/A RobotLAB Corp. (the “Company”) incorporated under the laws of Delaware on January 22, 2023, offers franchises the operation of a RobotLAB® retail sales business which includes the sale of advanced robots for automated tasks such as food ordering, delivery, cleaning, guidance and customer interaction in the restaurant, hospitality, assisted-living, and medical industries. The Company has an associated entity, RobotLAB Financing, which can be utilized by the franchisees to finance the various costs of purchasing the franchise.

Note 2 – Summary of Significant Accounting Policies

Basis of Accounting – The Company uses the accrual basis of accounting, whereby revenue is recognized when earned and expenses are recorded as incurred.

Members’ Equity – Membership interest in the Company is composed of 100 membership units.

Revenue Recognition – Revenue is measured based on consideration specified in contracts with franchisees and excludes incentives and amounts collected on behalf of third parties. The Company recognizes revenue when it satisfies a performance obligation by transferring control over a product or service to a franchisee.

The following describes principal activities, separated by major product service, from which the Company generates its revenues:

Initial Franchise Fees

The initial franchise fees are calculated as follows:

Number of Franchised Businesses

Initial Franchise Fee (for each Franchised Business)

	First	\$
	Second	\$
	Thereafter	\$

54,900
44,500
34,500

The initial fees are paid in consideration of the rights granted in the franchise agreement and is non-refundable. The fee is recognized as revenue over the term of the initial franchise agreement, which is ten years. Subject to certain requisites, the Company may renew the term of a franchisee upon expiration of the initial term, for an additional five-year period. The renewal fee, to be no more than 25% or \$10,000 of the then current initial franchise fee, whichever is greater, is paid in consideration of the rights granted in the franchise agreement and is non-refundable. The renewal fee is recognized as revenue over the term of the renewal period.

**ROBOTLAB FRANCHISING LLC D/B/A
ROBOTLAB CORP NOTES TO
FINANCIAL STATEMENTS
(CONTINUED) JULY 31, 2023**

Note 2 – Summary of Significant Accounting Policies – Continued

Equipment Fees

The initial equipment package fee is \$110,500 for the purchase of the equipment package (as defined in the franchise agreement). Financing is available for this package through RobotLAB Financial Services, an affiliated entity, and requires a minimum \$15,000 down payment. The franchisee obtains control of the equipment and revenue is recognized upon the execution of the franchise agreement.

Franchise Royalties

Franchise royalties are calculated based upon 7% of franchisee gross revenue (as defined in the franchise agreement). Franchise royalties are collected and recognized as revenue on a per transaction basis. The Company utilizes a centralized payment processing system for its franchisees, which allows franchise royalties to be collected at the time of payment by the customer.

Brand Fund Revenue

Brand fund revenue is calculated at 1% of franchisee gross revenue (as defined in the franchise agreement). The Company may charge an additional brand fund fee not to exceed 3% of franchisee gross revenue. The Company will use the brand fund fee to conduct advertising research and public relations campaigns, develop websites and other online media programs, develop marketing materials such as television, radio, internet, and print advertising production, and promotional materials for use in each Franchisee's local market, and implement advertising and marketing campaigns. Brand fund revenues are collected and recognized as revenue on a per transaction basis and collected at the time of payment by the customer.

Local Area Marketing Revenue

Local area marketing revenue is calculated at 3% of franchisee gross revenue per month (as defined in the franchise agreement) and will begin in the first full month after the date the Franchised Business opens. The local area marketing requirement may increase up to a maximum of 5% of franchisee gross revenue (as defined in the franchise agreement). Local area marketing revenue is recognized by the Company in the month charged.

Franchisees are required to participate in any local marketing cooperatives established by the Company or by a majority of the Franchised Businesses in the designated market area where two or more unaffiliated franchises are located and operated.

Technology Fee Revenue

Franchisees are required to pay \$485 per employee in the organization with an email address or access to any of the online systems or for other technology-related services provided by the Company. Revenues are recognized in the month charged.

ROBOTLAB FRANCHISING LLC D/B/A ROBOTLAB CORP NOTES TO FINANCIAL STATEMENTS (CONTINUED) JULY 31, 2023

Note 2 – Summary of Significant Accounting Policies – Continued

Pre-Opening Services

Pre-opening services include training and general assistance. The Company has adopted the franchisor practical expedient under FASB ASC 606, which allows the Company to treat pre-opening services as distinct from one another. Training is provided to the franchisee at no additional cost unless additional training is required. Additional training fees are recognized when the service is provided. Pre-opening assistance is provided to the franchisee as needed, and recognized when the service is charged.

Other Non-Recurring Fee Revenue

The Company also reserves the right to charge franchisees for various non-recurring services. Non-recurring services are recognized when the service is charged.

Income Taxes – The Company’s taxable status, as determined by management, is a pass-through entity and the Company has no recorded liability for uncertain tax positions. Therefore, no provision for income tax is included in the financial statements. Management continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings.

Fair Value of Financial Instruments – The recorded accounts receivable approximate fair value due to the short-term nature of the financial instruments.

Use of Estimates – The preparation of the 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 amounts reported in the financial statements and accompanying notes. Actual

results could differ from those estimates.

Note 3 – Franchising

The Company grants franchise licenses to prospective franchisees. The initial term of each license begins on the effective date of the franchise agreement and ends on the tenth anniversary thereof. Upon expiration of the initial term, and subject to certain requisites, the franchisee has the option to renew the franchise agreement for additional five-year periods.

There was one franchise sold during the period ended July 31, 2023. No franchisees have commenced principal operations, and no franchisees closed, as of July 31, 2023.

Note 4 – Subsequent Events

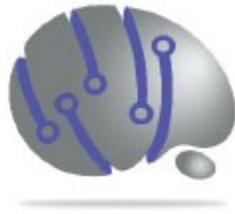
Management has evaluated all subsequent events through September 6, 2023, the date the financial statements were available to be issued and determined that no material subsequent events have occurred.



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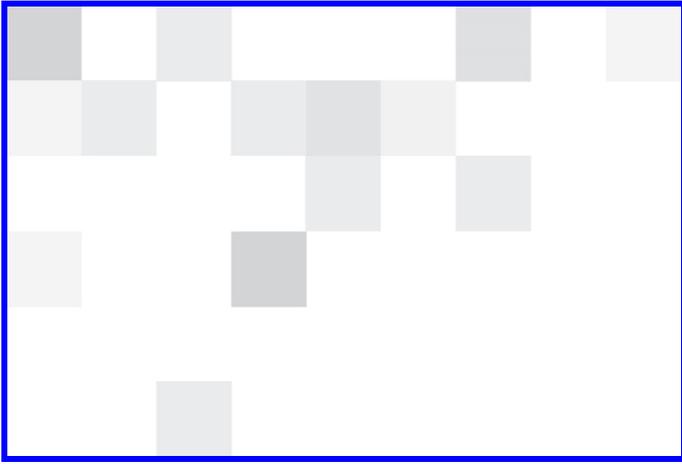
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RobotLAB
Franchising LLC





117 VIP Drive, Suite 220, Wexford, PA 15090 ■ 724.934.4880 ■ Fax 724.934.3990

MSI Global Alliance Independent Member Firm



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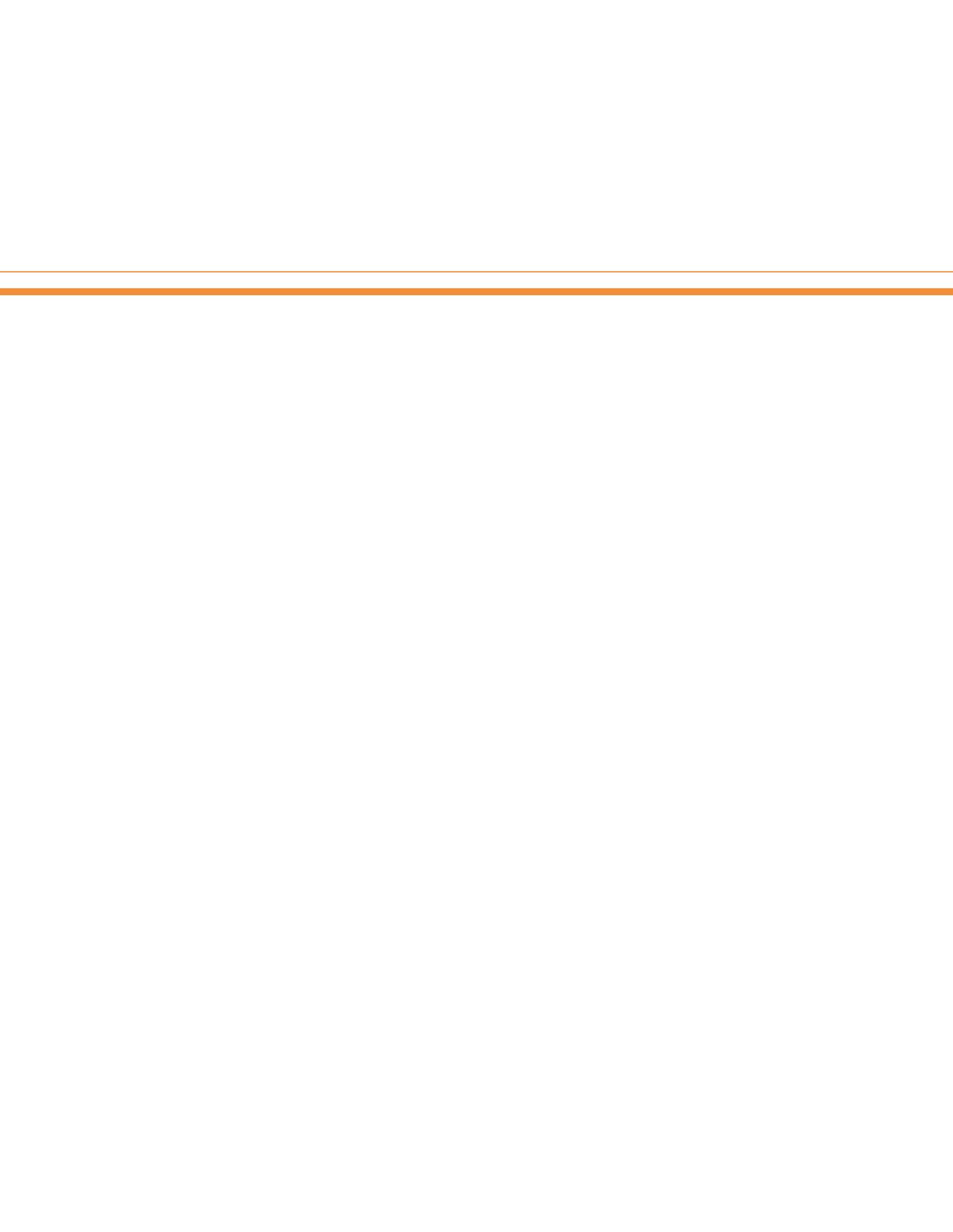


EXHIBIT C

LIST OF CURRENT FRANCHISEES

We respectfully ask that when contacting franchisees, you please respect their time and wait until after attending our Discovery Day to get in contact with them.

CURRENT FRANCHISEES

In Operation as of December 31, 2023

Territory	Blocks	Address	Phone Number	Franchisee Contact
<u>Denver, CO</u>	<u>1</u>	<u>4777 Leyden St. Denver, CO 80216</u>	<u>1-877-626-8522</u>	<u>Alex Sleznov</u>
<u>Cape Canaveral, FL</u>	<u>1</u>	<u>8816 96th Ct. Vero Beach, FL 32967</u>	<u>1-877-626-8522</u>	<u>Troy and Paul Forsberg</u>
Ft. Lauderdale, FL	4	5000 SW 52 nd Street, Unit 513 Davie, FL 33314	1-877-626-8522	Felipe Alvarez
<u>Orlando South, FL</u>	<u>2</u>	<u>7380 Sand Lake Rd. STE 552 Orlando FL 32819</u>	<u>1-877-626-8522</u>	<u>Li Tang</u>
<u>Tampa Bay, FL</u>	<u>1</u>	<u>4838 14th Ave E Bradenton, FL 34208</u>	<u>1-877-626-8522</u>	<u>Geoff Fischer</u>
<u>Atlanta, GA</u>	<u>2</u>	<u>Johns Creek Pkwy, STE #B Suwanee, GA 30024.</u>	<u>1-877-626-8522</u>	<u>Li Tang</u>
<u>Growth Partners, GA</u>	<u>1</u>	<u>Johns Creek Pkwy, STE #B Suwanee, GA 30024.</u>	<u>1-877-626-8522</u>	<u>Windy Garrat</u>
<u>Chicago NW, IL</u>	<u>4</u>	<u>6633 North Hiawatha Chicago, IL 60646</u>	<u>1-877-626-8522</u>	<u>Matt Ortolano</u>
<u>Chicago West, IL</u>	<u>2</u>	<u>415 Prairieview Parkway Hampshire, IL 60140</u>	<u>1-877-626-8522</u>	<u>Ryan and Marie Krajecki</u>
<u>Baltimore, MD</u>	<u>2</u>	<u>1301 Bonsal Street Baltimore, MD 21224</u>	<u>1-877-626-8522</u>	<u>Richard Shank</u>
<u>Bethesda, MD</u>	<u>1</u>	<u>950 East State Highway 114 STE 160, Southlake, Texas 76092</u>	<u>1-877-626-8522</u>	<u>Sunitha Madala</u>
<u>Minneapolis, MN</u>	<u>3</u>	<u>14471 Enclave Court NW Prior Lake, MN 55372</u>	<u>1-877-626-8522</u>	<u>Keith McDonald</u>
<u>St. Paul, MN</u>	<u>1</u>	<u>410 Energy Park Drive STE 6 St. Paul, MN 55108</u>	<u>1-877-626-8522</u>	<u>Dex Chia</u>
Raleigh, NC	4	5000 Centregreen Way, Suite STE 500 Cary, NC 27513	1-877-626-8522	Kalpesh Patel
Charlotte, NC	3	1235 East Blvd, Suite STE E PMB 5063 Charlotte , NC 28203	1-877-626-8522	Neel Patel & Chetan Patel
<u>Newark, NJ</u>	<u>2</u>	<u>8 Keppel Rd, Keppel Road Plainsboro, NJ 08536</u>	<u>1-877-626-8522</u>	<u>Neeraj Budhiraja</u>
South Jersey, NJ	1	1000W Washington Avenue, Pleasantville, NJ 08232	1-877-626-8522	Ren Parikh
<u>Las Vegas, NV</u>	<u>3</u>	<u>6000 S Eastern Ave STE 7C Las Vegas, NV 89119</u>	<u>1-877-626-8522</u>	<u>Ketan Vaidya & Tom Laplante</u>
<u>Lower Manhattan, NY</u>	<u>4</u>	<u>68 35th Street Building 4 Brooklyn, NY 11232</u>	<u>1-877-626-8522</u>	<u>Cassy Sullivan</u>

The accompanying notes are an integral part of this financial

<u>Eastern Pennsylvania, PA</u>	<u>1</u>	<u>120 Walker Dr. Northampton, PA 18067</u>	<u>1-877-626-8522</u>	<u>Kripa and Jagriti Dawar</u>
<u>Philadelphia, PA</u>	<u>1</u>	<u>1515 Market St STE 1200 Philadelphia, PA 19102</u>	<u>1-877-626-8522</u>	<u>Orlinda McCall</u>

The accompanying notes are an integral part of this financial

<u>Territory</u>	<u>Blocks</u>	<u>Address</u>	<u>Phone Number</u>	<u>Franchisee Contact</u>
<u>Knoxville, TN</u>	<u>1</u>	<u>5416 Middlebrook Pike STE C Knoxville, TN 37921</u>	<u>1-877-626-8522</u>	<u>Michael McLaughlin</u>
<u>Dallas, TX (DFW)</u>	<u>4.5</u>	<u>955 W John Carpenter Fwy Irving, TX 75039</u>	<u>1-877-626-8522</u>	<u>Prashant & Ruchika Nagrath</u>
<u>Austin, TX</u>	<u>3</u>	<u>7413 Buchholz St Austin, TX 78745</u>	<u>1-877-626-8522</u>	<u>Alex Bergeron</u>
<u>Dallas, TX</u>	<u>5</u>	<u>806 Rutledge Ln. Lucas, TX 75002</u>	<u>1-877-626-8522</u>	<u>Meshva and Ravi Desai</u>
<u>DFW West, TX</u>	<u>2</u>	<u>1900 W Kirkwood Blvd Southlake, TX 76092</u>	<u>1-877-626-8522</u>	<u>Paulo Orosz</u>
<u>Houston, TX</u>	<u>7</u>	<u>11261 Richmond Ave., STE G106 Houston, TX 77082</u>	<u>1-877-626-8522</u>	<u>Eric and Keith Edwards</u>
<u>San Antonio, TX</u>	<u>1</u>	<u>20770 US Hwy 281 N San Antonio, TX 78258</u>	<u>1-877-626-8522</u>	<u>Gayatri Kesavamurthy and Chris Drungell</u>
<u>Fairfax, VA</u>	<u>1</u>	<u>8630 Webster Tavern Way, Manassas, VA 20109</u>	<u>1-877-626-8522</u>	<u>Samuel Idossa</u>

Signed Franchise Agreement but not operating as of December 31, 2024

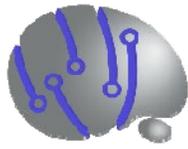
<u>Territory</u>	<u>Blocks</u>	<u>Address*</u>	<u>Phone Number</u>	<u>Franchisee Contact</u>
<u>Delaware Valley, PA</u>	<u>3</u>	<u>950 East State Highway 114 STE 160, Southlake, Texas 76092</u>	<u>1-877-626-8522</u>	<u>Vik and Sam Parajpe</u>
<u>Hawaii</u>	<u>1</u>	<u>950 East State Highway 114 STE 160, Southlake, Texas 76092</u>	<u>1-877-626-8522</u>	<u>Billy Cressman</u>
<u>Jacksonville, FL</u>	<u>2</u>	<u>950 East State Highway 114 STE 160, Southlake, Texas 76092</u>	<u>1-877-626-8522</u>	<u>Daniel Fico</u>
<u>Los Angeles West, CA</u>	<u>1</u>	<u>950 East State Highway 114 STE 160, Southlake, Texas 76092</u>	<u>1-877-626-8522</u>	<u>Justin Wei</u>
<u>Milwaukee, WI</u>	<u>2</u>	<u>950 East State Highway 114 STE 160, Southlake, Texas 76092</u>	<u>1-877-626-8522</u>	<u>Milka Krecack</u>
<u>Portland, OR</u>	<u>1</u>	<u>950 East State Highway 114 STE 160, Southlake, Texas 76092</u>	<u>1-877-626-8522</u>	<u>Kadhar Masthan</u>
<u>San Jose, CA</u>	<u>3</u>	<u>950 East State Highway 114 STE 160, Southlake, Texas 76092</u>	<u>1-877-626-8522</u>	<u>Shishir Sharma</u>

***Where our franchisees do not have a business address, we use our address to protect their privacy.**

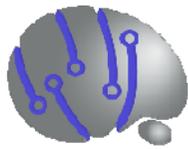
FORMER FRANCHISEES

NONE.

The accompanying notes are an integral part of this financial



RobotLAB Corp.



RobotLAB Corp.

FRANCHISE AGREEMENT

between

**ROBOTLAB FRANCHISING, LLC
D/B/A ROBOTLAB CORP**

and

Franchisee

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ATTACHMENTS

- A. FRANCHISEE INFORMATION AND PROTECTED TERRITORY
- B. PERSONAL GUARANTY FOR OWNER/SHAREHOLDER
- C. ELECTRONIC FUNDS TRANSFER AUTHORIZATION
- D. LEASE RIDER
- E. FRANCHISEE COMPLIANCE QUESTIONNAIRE
- F. [AUTHORIZATION TO PROCESS CREDIT CARDS](#)

ROBOTLAB FRANCHISING,

LLC FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (“Agreement”) is made and entered into as of the “Effective Date” set forth on Attachment A, by and between RobotLAB Franchising, LLC, a Delaware limited liability company (“Franchisor”), and the franchisee(s) listed on Attachment A to this Agreement (“Franchisee”).

BACKGROUND:

A. Franchisor offers RobotLAB® franchises **for the operation of a RobotLAB® retail sales business offering which sell** advanced robots designed for automated tasks such as, but not limited to, food ordering, delivery, cleaning, cooking, guidance, cooking, and customer interaction from a physical retail facility and provide services for these robots which may include installation, deployment, service, and repairs based in a light industrial warehouse (each a “Franchised Business”). Franchisor uses and licenses certain trademarks, including RobotLAB®, and may hereafter adopt, use, and license additional or substitute trademarks, service marks, logos, and commercial symbols in connection with the operation of Franchised Businesses (collectively, the “Marks”). RobotLAB® Franchised Businesses use Franchisor’s methods, procedures, standards, specifications, and the Marks (all of which are collectively referred to as the “Business System”), which Franchisor may periodically improve, further develop, or otherwise modify.

B. Franchisee desires to operate a RobotLAB® Franchised Business which will conform to the uniform requirements and Brand Standards of the Business System ~~based in a light industrial warehouse (each a “Franchised Business”)~~.

AGREEMENT

AGREEMENTS:

NOW THEREFORE, in consideration of the mutual covenants and promises set forth herein, and other good and valuable consideration, the receipt and sufficiency of which is acknowledged by the parties hereto, Franchisor and Franchisee hereby agree as follows:

1. GRANT OF FRANCHISE; PROTECTED TERRITORY; COMPLIANCE

A. Grant of Franchise. Subject to the provisions stated below, Franchisor grants to Franchisee a personal and non-exclusive license and franchise to operate a RobotLAB® Franchised Business using the Marks as designated by Franchisor from time to time in conformity with Franchisor’s Business System at a location within the territory specified in Attachment A attached hereto. The specified area identified in Attachment A is referred to as the “Protected Territory.” Franchisee will operate the Franchised Business under the Business System in strict compliance with the provisions of this Agreement and only at a location within the Protected Territory approved by Franchisor (the “Franchised Location”).

B. Franchisee’s Protected Area; Rights Reserved By Franchisor. During the term of this Agreement, Franchisor will not establish for its own account or franchise others the right to operate a RobotLAB® Franchised Business from a permanent location within the Protected Territory specified in Attachment A. Except as expressly provided in this Agreement, we and our affiliates retain the right, in our sole discretion, to conduct any business activities, under any name, in any geographic area, and at any location, regardless of the proximity to or effect on your Franchised Business. For example, we and our affiliates have the right to:

1. Establish or license franchises and/or company-owned outlets or other facilities or businesses offering similar or identical products, services, and classes and using the System or

The accompanying notes are an integral

2. Sell or offer, or license others to sell or offer, any products or services, including but not limited to any educational software and programming, AI labs, or virtual reality (“VR”) development, using the Marks or other marks through any alternative distribution channels, including, without limitation, through e-commerce, in retail stores, via recorded media, via online videos, or via broadcast media, anywhere, including inside and outside of the Protected Territory without any compensation to you;
3. Solicit customers for you, as well as advertise and promote sales of Franchised Businesses anywhere, including within the Protected Territory, specifically at trade shows, conventions, and other industry events, and advertise, or authorize others to advertise, anywhere using the Marks;
4. Acquire, be acquired by, or merge with other companies with existing similar businesses, and/or RobotLAB® Franchised Businesses anywhere (including inside or outside of the Protected Territory) and, even if such businesses are located in the Protected Territory, (i) convert the other businesses to the RobotLAB® name, (ii) permit the other businesses to continue to operate under another name, and/or (iii) permit the businesses to operate under another name and convert existing Businesses to such other name;**and**
5. Engage in any other activity, action, or undertaking that we are not expressly prohibited from taking under this Agreement.; and
6. Take over sales opportunities you do not nurture and actively follow up on, as recorded in our Computer System. If you have not had a touchpoint over 30 days for an opportunity created, it becomes owned by corporate and will be fulfilled by corporate without any compensation to you. Consistent failure to follow up with open opportunities will be considered a material breach of the agreement.

C. Encroachment Fee. Franchisee may not advertise, market, solicit, sell, or service customers outside its Protected Territory (“Non-Exclusive Customers”), unless Franchisee is solicited or has a prior verifiable relationship with the Non-Exclusive Customer. Notwithstanding the foregoing, Franchisee must pay either Franchisor or the incumbent franchise owner an encroachment fee equal to fifty percent (50%) of the profits attributed to the Non-Exclusive Customers sales outside of its Protected Territory (“Encroachment Fee”). Franchisor has the right to withhold the Encroachment Fee from the proceeds due to Franchisee.

D. Centrally Managed Key Accounts. Franchisor may manage or provide support services to national and/or regional accounts that require centralized overview and support and for purposes of responding to requests and referrals for services through the franchise system, managing those relationships, and answering calls placed to the toll-free number or a national account on-line access system. In that case, Franchisor will pay you 10% of the contracted amount for the services in your Protected Territory, including renewals, if you choose to perform the services, subject to the Royalty and Brand Fund Fees due. You must opt-in to participate in a national account that we centrally manage, and you may only do so if you have all relevant approved robots and have completed training for each. If you participate in the account, you are required to follow the agreed upon account pricing and service level.

E. Locally Managed Key Accounts. Franchisor may enter into contracts on a regional or national scale where the parent requires or approves its branches and affiliates to purchase our products. In those cases, you will pay to us a 5% of Gross Revenue generated from sales to those accounts.

F. Diligent Development of Protected Territory. You are expected to diligently pursue business development within the Protected Territory. “Pursuing business development” shall be mean actively engaging in efforts to grow the business and generate leads, which include all of, but are not limited to, the following activities: hosting stages events, seminars, or other networking events;

The accompanying notes are an integral part of this financial

conducting brochure drops or distributing marketing materials within the territory; cold calling potential clients or businesses; attending networking events to build connections and expand awareness; participating in trade conferences, either in

The accompanying notes are an integral part of this financial

conjunction with the Franchisor or independently; promptly responding to leads and opportunities either provided by the Franchisor or generated by you, and actively nurturing them without a gap of more than 30 days between touch points; conducting product or service demonstrations and proofs of concept; meeting all service level agreements contracted to customers by you, or us, or other franchisees to local and Key Accounts; having sufficient demo units to enable all customer sales, both in quantity and types of products and the knowledge how to operate and deploy them without assistance either for a demo, or for a complete installation; following up on all sales opportunities and inquiries; and engaging in community outreach or sponsorships to increase brand visibility. You will be required to demonstrate compliance by providing periodic updates on your business development efforts, which we may request and obtain at any time without notice. All your activities must be recorded on the Computer System. Activities outside the systems are not tracked and will not be used as a verification of activity. If you fail to meet these minimum requirements for two consecutive quarters or are not executing the plan of action in good faith, we may reduce the size of your Protected Territory or elect to terminate the Agreement pursuant to Section 15 herein.

2. TERM OF FRANCHISE; RENEWAL RIGHTS

A. Term. The term of this Agreement will be for ten (10) years commencing on the date of this Agreement, unless terminated sooner in accordance with the terms hereof.

B. Renewal. Franchisee will have the right to renew its RobotLAB® franchise for the Franchised Location for additional five (5) year terms, provided Franchisee meets the following conditions:

1. Franchisee has given Franchisor written notice at least one hundred eighty (180) days before the end of the term of this Agreement of its intention to renew;

2. Franchisee has complied with all of the material provisions of this Agreement, including the payment of all monetary obligations owed by Franchisee to Franchisor and its affiliates and suppliers, and has complied with Franchisor's material operating and Brand Standards and procedures and meets all current Brand Standards during the term of the Franchise Agreement;

3.

3. 4. Franchisee has, at its expense, made such reasonable capital expenditures necessary to remodel, modernize, and redecorate the Franchised Business premises, and to replace and modernize the supplies, items, and equipment customary in Franchisee's business so that Franchisee's business reflects the then-current physical appearance of new RobotLAB® Franchised Businesses;

4. 5. Franchisee has paid a Renewal Fee equal to the greater of: (i) ten thousand dollars (\$10,000.00), or
(ii) twenty-five percent (25%) of the then-current franchise fee to Franchisor at least thirty (30) days before the expiration of the initial (and any renewal) term of this Agreement expires;

5. 6. Franchisee, at Franchisor's option, executes the then-current Franchise Agreement, provided, however, that Franchisee will be required to pay the Renewal Fee in lieu of the Initial Franchise Fee stated in such Franchise Agreement, and that such Franchise Agreement may not contain any further rights of renewal, but may contain continuing rates and advertising contributions (which may be different than those contained in this Agreement), and an altered Protected Territory; and

6. 7. Franchisee is able to secure a renewal or extension of the lease for the Franchised Location or is able to secure a new location within the Protected Territory which has been accepted by Franchisor, such acceptance not to be unreasonably withheld.

7. 8. Pursuant to COMAR 02.02.08.16L, the general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law. **The accompanying notes are an integral part of this financial**

3. OWNERSHIP AND USE OF MARKS

A. Ownership. Franchisor is the exclusive owner of all right, title, and interest in and to the Marks and Business System, and all past, present, or future goodwill of Franchisee's Franchised Business and of the business conducted at the Franchised Location that is associated with or attributable to the Marks. Franchisee's use of the Marks and the Business System will inure to the benefit of Franchisor. Franchisee disclaims all right, title, and interest in or to such goodwill and the Marks and the Business System and acknowledges, and agrees, that such goodwill and the Marks and the Business System are the exclusive property of Franchisor. Any and all improvements by Franchisee relating to the Marks and Business System will become the sole property of Franchisor who has the exclusive right to register and protect all such improvements in its name. Franchisee will execute any document required by Franchisor to transfer or assign any such improvements relating to the Marks and the Business System to Franchisor.

B. Use. Franchisee's right to use and identify with the Marks and Business System applies only to the operation of the Franchised Business within the Protected Territory and exists concurrently with the term of this Agreement and only so long as Franchisee is in full compliance with Franchisor's quality and operating standards. Franchisee will have the right to use the Marks and Business System only in the manner Franchisor directs and approves in writing. Franchisee will not have or acquire any rights in any of the Marks or Business System other than the right of use as governed by this Agreement. If, in the judgment of Franchisor, Franchisee's acts infringe upon or harm the goodwill, standards of uniformity or quality, or business standing associated with the Marks and Business System, Franchisee will immediately, upon written notice from Franchisor, modify or discontinue its use of the Marks and Business System in the manner Franchisor directs in writing. Franchisee will not, during or after the term of this Agreement, do anything directly or indirectly which would infringe upon, harm, mislead, or contest Franchisor's rights in the Marks or Business System, or the goodwill associated with the Marks or the Business System. Franchisee cannot advertise any liquidation or going-out-of-business sales or similar types of activity.

C. Promotion. Franchisee will operate the Franchised Business so that it is clearly identified and advertised as a RobotLAB® Franchised Business. The style, form, and use of the words "RobotLAB®" in any advertising, written materials, or supplies must, however, have Franchisor's prior written approval, which approval will not be unreasonably withheld. Franchisee will use the name "RobotLAB®" and the other Marks which now or hereafter may form a part of the Business System, on all paper supplies, business cards, letterhead, envelopes, uniforms, advertising materials, signs, or other articles in the identical combination and manner as Franchisor may require in writing. Franchisee will comply with all trademark, trade name, service mark, and copyright notice marking requirements.

D. E.Identity. Franchisee will not use the word "RobotLAB®" in its corporate or partnership name. Franchisee will clearly indicate on its business checks, purchase orders, business cards, receipts, promotional materials, and other written materials that Franchisee is the owner of the Franchised Business and that Franchisee is a RobotLAB® franchisee. Franchisee, in a manner that is clearly visible to the general public, will display a sign indicating that the Franchised Business is independently owned and operated .

E. F.Substitutions. If at any time Franchisor determines it advisable or necessary, Franchisee will, upon receiving written notice from the Franchisor, immediately, at its expense, make such changes and amendments or discontinuation of or to any or all of the Marks as Franchisor may require. Franchisee will not make any changes, amendments, or discontinuations of or to the use of any of the Marks and Business System unless directed by Franchisor in writing.

F. G.Litigation. Franchisee will not, without Franchisor's prior written consent, defend or enforce any of the Marks in any court or other proceedings for or against imitation, infringement, any claim of prior use, or for any other allegation. Franchisee will, however, immediately notify Franchisor of any claims or complaints made against Franchisee respecting the Marks and will, at its expense, cooperate in all respects with ~~Franchisor~~ **Franchisor** in protecting the Marks. Franchisor will pay

Franchisor and its legal counsel will have the right to control and conduct any litigation relating to the Marks.

G. Crisis Communication. Franchisor will have the sole and absolute discretion to determine what steps will be taken in instances of a crisis that impacts the RobotLAB® brand and may cause harm or injury to the RobotLAB® Marks, Business System, reputation, or image.

H. Affixing Notice. Franchisee hereby covenants and agrees that it will affix in a conspicuous location in or upon the Franchised Location, a sign containing a form of notice substantially in the following form, or such other form as Franchisor may require:

“This business is owned and operated independently by [*Franchisee Entity Name*] who is an authorized, licensed user of the trademark “RobotLAB®,” which trademark is owned by RobotLAB Franchising, LLC.”

4. INITIAL FRANCHISE FEES

A. Initial Franchise Fee. Franchisee ~~will~~ shall pay Franchisor a non-refundable Initial Franchise Fee as set forth on Attachment A for a Protected Territory, which will be fully earned and payable on the date of this Agreement. Franchisee shall pay six dollars and eighty-six cents (~~\$6.86~~(\$6.8625)) per qualified business within the Protected Territory, with a minimum purchase of 1 Block, which equals eight thousand (8,000) Qualified Businesses.

Based upon **the franchisor’s** Franchisor’s financial condition, the California Department of Financial Protection and Innovation, the Maryland Securities Commissioner, the South Dakota Securities Regulation Office, the Virginia State Corporation Commission's Division of Securities and Retail Franchising, the Minnesota Department of Commerce, the North Dakota Securities Department, the Illinois Attorney General’s Office, and the Washington Securities Division have determined that we, the franchisor, have not demonstrated we are adequately capitalized and/or that we must rely on franchise fees to fund our operations. Each of these states has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement and has commenced business operations.

The California Department of Financial Protection and Innovation has ~~determined that we, the franchisor, have not demonstrated we are adequately capitalized and/or that we must rely on franchise fees to fund our operations.~~ The Commissioner has imposed a fee deferral condition, which requires that we defer the

collection of all initial fees from California franchisees until we have completed all of our pre-opening obligations and you are open for business.

Based upon the franchisor’s financial condition, the Maryland Securities Commissioner ~~has required a financial assurance.~~ Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement.

Based upon the franchisor’s financial condition, the North Dakota Securities Department has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until all initial obligations owed to franchisee under the franchise agreement or other documents have been fulfilled by the franchisor and the franchisee has commenced doing business pursuant to the franchise agreement.

Based upon the franchisor’s financial condition, the Illinois Attorney General’s Office has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor has satisfied its pre-opening obligations to the franchisee and the franchisee has ~~commenced business operations.~~ The Illinois Attorney General’s Office imposed this deferral requirement due to Franchisor’s financial condition.

B. Initial Training Fee. Upon signing the Agreement, Franchisee shall pay a non-refundable Initial Training Fee equal to \$7,000. Franchisee shall be responsible for its own travel, lodging, and other costs and expenses for its attendees while attending training.

C. B.Initial Equipment Package Fee. Franchisee will pay Franchisor a non-refundable Equipment Package Fee per Block Initial Equipment/Inventory Fee. Franchisee will pay Franchisor a non-refundable “Equipment Package Fee” per Block that Franchisee agrees to operate, as set forth on Attachment A. The Equipment Package includes the cost of **the currently best-selling robots in our portfolio: four delivery robots**your initial inventory of robots for sale, **one cleaning robot, and one customer service robot; and** a “Marketing Kit” which includes brochures, product catalogs, **roll- roll-**up banners, branded tablecloths, **RobotLAB®** RobotLAB branded apparel, business cards, office signage, **and RobotLAB® branded packing tapes;** and initial software setup fees for owner access (“Equipment Package”).

D. C.Stage Presence Training. Franchisee will pay Franchisor to organize and enroll Franchisee’s owner(s) in a stage presence training program. The “Stage Presence Training Fee” is \$2,500.00 per **person that attends, franchise agreement** and is non-refundable, **paid in a lump sum, and uniform for all franchisees.**

E. When Due. The Initial Franchise Fee shall be due upon your signing the Franchise Agreement, except where a state has required a financial assurance, as described in Section 4(A). The fees contemplated in the Section 4(B), 4(C), and 4(D) shall be due at the earlier of (i) 45 days after the signing the Franchise Agreement, (ii) prior to the commencement of training, or (iii) if you are in a state which required us to provide a financial assurance, when you have commenced business operations. You may be assessed an “Equipment Storage Fee” equal to \$750 per month if you have not paid for the Equipment Package in full and taken delivery or your equipment within one month of your completing training (“Delivery Deadline”).

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If you have either not paid the Equipment Package Fee in full or have not scheduled your delivery by the Delivery Deadline, we will store your Equipment Package and charge you the Equipment Storage Fee each 1st of every month starting from the first 1st of a month following the end of training and continuing until your Equipment Package is shipped to you.

5. ROYALTY FEE

A. Royalty Fee. Franchisee will, for the term of this Agreement, pay to Franchisor a Royalty Fee equal to seven percent (7%) of Franchisee's Gross Revenue (as defined below). Franchisee's obligation to pay Franchisor the Royalty Fee under the terms of this Agreement will remain in full force and effect until this Agreement has expired or is terminated or transferred under the provisions herein. Franchisor will withhold the Royalty Fee per transaction from the customer funds due to Franchisee based on sales.

B. Mandatory Minimum Performance Standards. Beginning on the first day of opening your Business, Franchisee must achieve specified Gross Revenue to retain the Protected Territory under the Franchise Agreement ("Minimum Performance Standard(s)"). If you operate more than one Block, your Minimum Performance Standards for the entire Franchised Business will be calculated by multiplying the Minimum Performance Standards in the table below by the number of Blocks you operate. The exact Minimum Performance Standards for your entire Protected Territory is detailed in Attachment A of the Franchise Agreement.

C.

Base Minimum Performance Standards	
Period Following Original Opening Date	Minimum Gross Revenue
Year 1	\$1,000,000
Year 2	\$1,750,000
Year 3 and beyond	\$3,000,000

If 60 days prior to the end of a full fiscal year you are not on pace, or appear you will fail, to meet the Minimum Performance Standards in the fiscal year, we will require you to create an approved detailed plan of action, and you must diligently implement the approved plan of action during the next fiscal year in good faith and with our assistance. If you fail to meet the Minimum Performance Standards for two consecutive years ~~or are not executing the plan of action in good faith, we may reduce the size of your Protected Territory or elect to terminate your franchise agreement pursuant to Section 15 of this Agreement.~~

B. D.Payment.

1. Franchisee must comply with all our payment policies, procedures, and requirements, as described in the Manuals.
2. Franchisee must create an opportunity and a quote with line items for all products or services provided to customers, including related taxes and all other mandatory information on Computer Systems, as described in the Manuals. You will not accept any funds directly or indirectly, or offer products or services without issuing an opportunity, a quote, and an order on the Computer System. All funds due from customers shall be paid to RobotLAB for product sales, services, rentals, warranties, or for any other reason. Franchisor will match the sales with granted territories, product availability, and have the right to approve or reject any sale, withhold sums for fees, royalties, and other dues, and then distribute the remainder to Franchisee. ~~If Franchisee does not have~~

technical personnel trained for deployment of specific product as ordered, Franchisor will assign a technician from the franchisor's pool, and charge Franchisee the deployment fee, as invoiced.

3. If the customer needs financing, a financing application will be submitted to RobotLAB Financial Services, and if approved, a loan account will be created for the end-customer. Loan proceeds will be sent to RobotLAB Corp. and will be distributed to Franchisee after withholding the fees, as described below, from Gross Revenue. We will notify you of the status of the end-customer's financing application throughout the process.

3. 4. On a per transaction basis, we will calculate the Gross Revenue, Net Revenue, and Credit Card Sales generated from the operation of your RobotLAB® Franchised Business. We will reconcile the reports on a monthly basis.

4. 5. On a per transaction basis, we will pay to you, by EFT, ACH, direct deposit, or a similar means, the Net Sales generated from sales and services of your RobotLAB® Franchised Business during the previous day minus: (i) all Royalty Fee **and** Brand Fund Fees (Section 6.A) and Local Ad Fund (Section 6.B); (ii) amounts you owe us or our affiliates for purchases of supplies; and (iii) any other monetary obligation that you have to us, our affiliates, or Approved Suppliers that we have been made aware of prior to the date that we would make a payment to you. Our payment to you is referenced as the "Franchisee Share."

6.

7. If there is a negative balance to your Franchisee Share after all deductions, then your negative balance will be carried forward to the next week and be deducted from your next day's Franchisee Share payment. We are never required to remit any funds to you until we have collected those funds.

5. 8. You must sign and deliver to us the documents we require to authorize us to electronically debit and credit your business checking account automatically ("Electronic **Depository Funds** Transfer **Account Authorization**" or "**EDTA EFTA**"). Our current form of **EDTA EFTA** is attached as Attachment C. We will debit the **EDTA EFTA** for these amounts on their due dates. You agree to ensure that funds are available in the **EDTA EFTA** to cover our withdrawals.

6. 9. Purchases of inventory or services from Franchisor can be invoiced on a Net 30 basis **or financed through RobotLAB Financial Services. If you choose to finance your purchase, the first payment will prorate the first and last payment to the 1st of the closest month, and going forward, each payment will be made on the 1st of every month until the loan is fully paid. You may have multiple loans, and each loan payment will be on the 1st of every month. It is your responsibility to make sure you have enough cashflow to pay all the loans on time. ~~You do not have to finance through us or our affiliate; you can finance through any other entity, and you will be liable for these payments regardless. We do not guarantee your loans.~~ **If you are late two times during the life of a loan (any specific loan) the entire balance due will be due immediately, and no further loans will be issued by us to you until further review of your financial stability.****

7. 10. We require you to pay the Technology Fees **and Local Marketing Expenditures** on a monthly basis, and we will withdraw these fees from your account via ACH transaction.

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C. E. Gross Revenue. The term “Gross Revenue” means all revenue transacted from or during the operation of your RobotLAB® Franchised Business including, but not limited to, robot sales and service, business interruption insurance, and all amounts that you receive at or away from the Franchised Location, whether from cash, check, EFT, ACH, wire transfer, credit and debit card, barter, exchange, trade credit, loyalty program points, gift card redemptions, or other credit transactions.

D. F. Net Revenue. The term “Net Revenue” means Gross Revenue minus: (i) the amount of any documented refunds or chargebacks provided to customers in good faith; (ii) any documented contributions (up to a maximum amount set by us) you make to an approved not for profit organization in conjunction a RobotLAB® approved charitable event; (iii) any tips received by your employees; and (iv) Franchisor designated or approved discounts, promotions, or credits.

E. G. Credit Card Sales. The term “Credit Card Sales” means all revenue transacted from or during the operation of your Franchised Location including, but not limited to, robot sales and service, business interruption insurance, and all amounts that you receive at or away from the Franchised Location, whether from credit cards, debit cards, gift cards, Apple Pay, Samsung Pay, PayPal, Venmo, or other similar electronic or card-based payment systems. Credit card payments will carry a service charge of 4% on top of the transaction amount.

H.

6. ADVERTISING AND MARKETING

A. Brand Fund Fee. Franchisee will pay to Franchisor’s “Brand Fund” a “Brand Fund Fee” of up to three percent (3%) of Gross Revenue in the same manner and at the same time as the Royalty Fee, as described in Section 5.C above. Currently, Franchisor collects one percent (1%) of Gross Revenue. Franchisor will use the Brand Fund Fee to conduct advertising research and public relations campaigns; develop websites and other online media programs; develop marketing materials, such as television, radio, internet, and print advertising production and promotional materials for use in each franchisee’s local market; and implement advertising and marketing campaigns. All Brand Fund Fees will be placed in a Brand Fund administered by Franchisor. Reasonable disbursements from the Brand Fund will be made solely for the payment of expenses incurred in connection with the general promotion of the Marks and the Business System, including the cost of formulating, developing, and implementing advertising and promotional campaigns; and the reasonable costs of administering the Brand Fund, including accounting and other professional expenses and the actual costs of salaries and fringe benefits paid to Franchisor’s employees or contractors engaged in administration of the Brand Fund. Although Franchisor will strive to manage the Brand Fund in such a manner that benefits franchisees uniformly, taking into account regional and/or local advertising costs and forms of media available, Franchisor cannot ensure that any individual franchisee will benefit directly or on a pro rata basis from the future placement of any such advertising in its local market. Without limiting the generality of the foregoing, Franchisor is under no obligation to administer or distribute the Brand Fund according to any particular geographic area or territory, whether in Canada, the United States, or otherwise, and furthermore is under no obligation to do so within the Protected Territory. Franchisor shall determine the methods of advertising, media employed and contents, terms and conditions of advertising campaigns and promotional programs. Upon reasonable request by Franchisee, Franchisor will provide Franchisee an annual unaudited statement of the receipts and disbursements of the Brand Fund.

B. Local Area Marketing Requirement. In addition to your Brand Fund Contribution, beginning in the first full month after the date the Franchised Business opens, **currently** you must pay to us a **minimum of** three percent (3%) of your Gross Revenue per **month transaction** to perform yearly local marketing services on your behalf. We will perform:

(a) at least one local event for your Protected Territory yearly, (b) dedicate a **cold- cold-**calling campaign to drive leads and appointments for your Protected Territory; (c) establish a pass-through lead program for all leads we get from your Protected Territory; and (d) invite you to attend shows and conferences with us if they are in your Protected Territory. We recommend you spend additional amounts on local advertising and promotional activities, which shall be payable directly to third-party marketing vendors and that may include **The accompanying notes are an integral part of this financial** statements provided to you. If you fail to pay

or to pay us the shortfall for us to spend on local marketing for your Franchised Business. We may **increase the amount of your** institute a separate Local Area Marketing Requirement which you will spend on your own with local vendors and media outlets. This additional amount shall not exceed five percent (5%) of your Gross Revenue. We reserve the right to increase the Local Area Marketing Requirement paid to us up to a maximum of five percent (5%) of your Gross Revenue, upon 30 days' written notice to you. Any advertising or marketing materials must be approved by us prior to your use of such materials. We will include your Business on our website.

We and all franchisees are allowed to attend trade shows, conventions, and other industry events in any area, even within Protected Territories, so long as the franchisees agree that leads falling within another franchisee's Protected Territory will be given to the hosting franchisee. Because the primary purpose is to support the RobotLAB® brand, expenses incurred in attending these events are credited towards your Local Area Marketing Requirement.

C. Marketing Cooperatives. You also must participate in any local marketing cooperatives ("Cooperative") established by us or by a majority of the Franchised Businesses in the designated market area ("DMA") where two (2) or more unaffiliated franchisees are located, including where you operate your Franchised Business. You will not be obligated to contribute more than 5% of the Gross Revenue for your Franchised Business to the Cooperative ("Market Cooperative Contribution") and any Market Cooperative Contributions you make will count toward your Local Area Marketing Requirement. Each Cooperative must adopt written bylaws, which follow the format we approve. You may request a copy of the bylaws of the Cooperative (if one has been established) for your DMA from the Cooperative president or us. Each Cooperative must follow voting procedures that are consistent with the general operating rules that we have established. The members of the Cooperative and their elected officials will administer the Cooperative in your area. We strongly recommend that Cooperatives prepare annual financial statements and make those financial statements available to all franchisees in that Cooperative. We have the power to establish Cooperatives and the bylaws, policies, and rules under which the Cooperatives will operate.

D.

D. Franchise Advisory Council. We have established an advertising council ("Advertising Council"). The Advertising Council serves in an advisory capacity to us with respect to certain advertising expenditures, including providing advice/guidance on how to administer the Brand Fund. At our discretion, the Advertising Council may be comprised of our management representatives, employees, you and/or other franchisees in the System. Currently, there are six franchisee members on the Advertising Council. To serve on the Advertising Council, you must agree to and sign the bylaws, be in good standing, and remain in good standing during the Term. We will have the right to modify or dissolve an Advertising Council at any time.

E. Approved Advertising and Marketing Materials. Franchisee will use only approved advertising and marketing materials. If Franchisee desires to use any unapproved advertising or promotional materials bearing the name "RobotLAB®" or other Marks, Franchisee must obtain written approval from Franchisor before using any such materials.

F. Promotion. Franchisee will use its best efforts to promote and advertise its RobotLAB® business and will participate in all advertising and promotional programs Franchisor establishes. Franchisee will participate, at its own expense, in the RobotLAB® national (electronic) gift card program and approved e-mail marketing and loyalty programs. Franchisee will have to advertise pricing as approved by Franchisor ("Franchisor Approved Pricing" or "FAP") but will have the right to discount and sell products at whatever prices Franchisee determines as long as prices that deviate from FAP do not become public knowledge.

G. Media Placement. Franchisee will use the approved vendors designated by Franchisor for broadcast media placement and online advertising for its pre-opening and all other marketing activities thereafter.

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H. Marketing in Open Territory. We may permit you to advertise or market in areas adjacent to your Protected Territory that are not part of the Protected Territory of another franchisee or a company- or affiliate-owned outlet (an “Open Territory”). We reserve the right to revoke our consent at any time, and we may sell the Open Territory to another franchisee or establish a company- or affiliate-owned outlet in

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[the Open Territory at any time, and you must immediately refrain from marketing or selling products and services in an Open Territory upon written notice from us. If we make a sale in the Franchisee's Protected Territory, we may provide Franchisee the sale and right to service the client as long as franchisee is in good standing and actively running their Franchised Business.](#)

7. FRANCHISOR'S OBLIGATIONS

A. Location. Franchisor will provide Franchisee with assistance with regard to site location and evaluation for the Franchised Business to ensure consistency with the Business System standards. Franchisee acknowledges that any assistance (including site selection and project oversight) provided by Franchisor or its nominee in relation to the selection or development of the Franchised Business is only for the purpose of determining compliance with the Business System standards and does not constitute a representation, warranty, or guarantee, express, implied or collateral, regarding the choice and location of the Franchised Business, that the development of the Franchised Business is free of error, nor that the franchised business is likely to achieve any level of volume, profit, or success.

B. Lay-Out and Design. Franchisee shall construct and equip the Franchised Business in accordance with the timetable or schedule specified by, and in conformity with the standard layout plans, specifications, and motif provided by Franchisor. Following receipt of such materials from Franchisor, the responsibility and cost of customizing specific plans, specifications, and drawings to the Franchised Business (upon prior approval of Franchisor) and all costs and expenses pertaining to the construction and equipping of the Franchised Business shall be borne exclusively by Franchisee. Franchisor shall have the right to inspect the construction and development of the Franchised Business at all reasonable times to ensure conformity with applicable standards.

C. Equipment, Supplies, and Inventory. Franchisee agrees to use in the operation of the Franchised Business only those service providers, manufacturers, brands or types of items, equipment (including, the Equipment Package), and signs that Franchisor will designate and approve. Franchisee shall purchase approved brands or types of items, equipment, services, and signs only from suppliers approved by Franchisor, which may include Franchisor or its affiliates. Franchisee further agrees to place or display at the Franchised Business (interior and exterior) only such signs, emblems, lettering, logos, and display materials that are from time to time approved in writing by Franchisor, which approval may be given or withheld by Franchisor.

D. Training. Franchisor will, at its expense, provide a **two-part** training program, [New Franchisee Orientation Training \("NFOT"\)](#), in the city in which our then-current corporate headquarters are located (currently, [Southlake, Texas](#)), online, or at such other location Franchisor designates to educate, familiarize, and acquaint Franchisee with the business of operating a RobotLAB® Franchised Business. **The first session of the training program, New Franchisee Orientation Training ("NFOT"), NFOT will include online and self-directed instruction on general business issues related to the ownership of the business, such as, by way of example only, real estate matters, business plan development, inventory management, point-of-sales systems, custom product purchasing, and other topics Franchisor may select. The period of this session** [components. The NFOT program length will be at Franchisor's discretion but generally will be around online programming followed by two \(2\) weeks of in-person sessions](#) and will be made available to you by Franchisor at its discretion. **The second session of the training program is for all employees of your Franchised Business and may include technical product training and other topics Franchisor may select. The period of this session will be at Franchisor's discretion. If Franchisee (or such other trainees required by Franchisor) fails to successfully complete the NFOT, they will not be permitted or authorized to manage Franchisee's business and may be required to start NFOT from the beginning at the next available session or Franchisor may terminate this Agreement pursuant to Section 15. Franchisee will be responsible for travel costs, room and board, the salaries, fringe benefits, and other expenses Franchisee and its employees and designated trainees incur in attending the training program. The training described in this Paragraph is provided at no charge for you, your members/shareholders (if you are an entity), and one key employee, up to a maximum of two (2) employees.** ~~The accompanying notes are an integral part of this financial~~ [NFOT, or we provide](#)

training to any additional or replacement personnel you may do so as long as we have space in the training session.

and dependent on the technical product level you will be certified in but generally will be: (i) Level 1, about 4 hours per robot; (ii) Level 2, about 50 hours per robot; and (iii) Level 3, about 130 hours per robot and will be scheduled by Franchisor. Franchisee (or such other trainees required by Franchisor) must successfully complete both sessions of the training program. ~~If Franchisee (or such other trainees required by Franchisor) fails to successfully complete the NFOT and at least the Level 2 technical product knowledge, he/she will not be permitted or authorized to manage Franchisee's business and Franchisor may terminate this Agreement pursuant to Section 15. Franchisee will be responsible for travel costs, room and board, the salaries, fringe benefits, and other expenses Franchisee and its employees and designated trainees incur in attending both sessions of the training program. The training described in this Paragraph is provided at no charge for you, your members/shareholders, and one key employee, up to a maximum of 4 people. If you wish to send additional personnel to **training**, or we provide training to any additional or replacement personnel you may do so as long as we have space in the training session.~~

E. **F. Opening Assistance.** Franchisor will assist in scheduling the opening of the Franchised Business. Franchisee will not open or commence business operations until Franchisee has received written approval from Franchisor. Franchisor's approval may be withheld if Franchisee fails to meet minimum inventory requirements, training and/or marketing requirements or Brand Standards established by Franchisor. Franchisor will, at no charge, provide pre-opening assistance prior to Franchisee's Franchised Business opening. Franchisor will also provide assistance with the Franchised Business opening around the time of grand opening. You must open your Franchised Business no later than four (4) months from the Effective Date of this Agreement.

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opening. Franchisor will also provide assistance with the Franchised Business opening around the time of grand opening. You must open your Franchised Business and host your grand opening event no later than four (4) months from the Effective Date of this Agreement.

F. Operations Manual. Franchisor will provide Franchisee with an electronic copy of the Operations Manual (the “Manual(s)”) wherein Franchisor will describe its operational policies, standards, requirements, and practices as such things are modified and amended by Franchisor from time to time. The Manuals may also include computer software, videos, information available on an internet/extranet site and other electronic media that Franchisor may change from time to time. Franchisee will comply with all provisions of the Manuals. Franchisor reserves the right to revise the Manuals at any time.

G. Additional Initial Assistance. Franchisor will assist Franchisee in the development of a business plan. Franchisor and Franchisee may also agree that Franchisor provide management assistance and other services, in addition to the usual initial assistance and supervision Franchisor provides to all franchisees, for additional agreed upon compensation.

H. Ongoing Assistance. During the operation of Franchisee’s business, Franchisor will: (i) inspect the Franchised Business as often as Franchisor deems necessary and provide written reports to Franchisee on operations; (ii) provide, upon the written request of Franchisee, advisory services pertaining to the operation of Franchisee’s business; (iii) periodically make available to Franchisee all changes, improvements and additions to the Business System to the same extent as made available to other franchisees; (iv) provide Franchisee with all supplements and modifications to the Manuals; and (v) develop advertising and marketing materials. Any evaluation or inspection Franchisor conducts is not intended to exercise, and does not constitute, control over Franchisee’s day-to-day operation of the Business or to assume any responsibility for Franchisee’s obligations under this Agreement.

8. OPERATION OF THE FRANCHISEE’S BUSINESS

The Marks and Business System licensed to Franchisee represent valuable goodwill distinctive of Franchisor’s business and reputation. Franchisor will periodically develop uniform standards of quality and service regarding the business operations of the Franchised Business so as to protect (for the benefit of all franchisees and Franchisor) the distinction, valuable goodwill, and uniformity represented and symbolized by the Marks and Business System. To ensure that all franchisees will maintain the uniform requirements and Brand Standards for goods and services associated with the RobotLAB™ Franchised Businesses and with the Marks and Business System, Franchisee will maintain the uniformity and Brand Standards and pricing Franchisor reasonably requires for all products and services and agrees to the following provisions:

A. Managerial Responsibility. During the term of this Agreement, the parties who have signed this Agreement on behalf of Franchisee will personally manage and operate Franchisee’s business and will not, without Franchisor’s prior written consent, delegate its authority and responsibility with respect to management and operation. Franchisor will only give its consent if the proposed manager has completed the Initial Training Program conducted by Franchisor and has signed all necessary system documentation. If Franchisee is a corporate entity or a partnership, one individual will retain at least fifty percent (50%) of the equity and voting interest in such corporation or partnership and will be obligated to personally manage and operate the Franchisee’s business (the “Principal Executive”). The Principal Executive will be listed on Attachment A to this Agreement.

B. Design and Appearance of Premises. The design and appearance of the exterior and interior of the Franchised Business, including signage, are part of the Business System. It is essential to the integrity of Franchisor’s Business System that all RobotLAB® Franchised Businesses have a high degree of uniformity. Without limitation to anything provided for in this Agreement, Franchisee agrees that: (i) no alteration or addition will be made to the premises without Franchisor’s prior written consent; (ii) the painting and ~~The color painting notes are an integral part of this franchise~~ Franchisor may require; (iii)

provide will be displayed on the Franchised Business premises. Franchisee must follow Franchisor's current standards regarding the design and appearance of the premises.

C. C.General Operation. Franchisee will use the Marks and Business System in strict compliance with the standards, operating procedures, specifications, requirements, and instructions required of all RobotLAB® franchisees, which Franchisor may periodically amend and supplement. Any required standards exist to protect Franchisor's interests in the Business System and the Marks and not for the purpose of establishing any control or duty to take control over those matters that are reserved to Franchisee. The required standards generally will be set forth in the Operations Manual or other written materials. The Operations Manual also will include guidelines or recommendations in addition to required standards. In some instances, the required standards will include recommendations or guidelines to meet the required standards. Franchisee may follow the recommendations or guidelines or some other suitable alternative, provided Franchisee meets and complies with the required standards. In other instances, no suitable alternative may exist. In order to protect Franchisor's interests in the Business System and Marks, Franchisor reserves the right to determine if Franchisee is meeting a required standard and whether an alternative is suitable to any recommendations or guidelines.

D. D.Products and Services. Franchisee will sell only those products and services Franchisor approves in writing and will offer for sale all products and services required by Franchisor from time to time. Franchisee will conform to all quality and customer service standards Franchisor requires in writing. Franchisee will purchase only such products, services, and supplies that Franchisor approves for RobotLAB® as meeting its specifications and standards, including specifications and standards for quality, design, warranties, appearance, function, and performance. Franchisee acknowledges and agrees that such items shall be purchased only from sources, or suppliers approved in writing by Franchisor (which sources or suppliers may include Franchisor or affiliates of Franchisor). FRANCHISOR DISCLAIMS ALL WARRANTIES, WHETHER EXPRESS OR IMPLIED, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE IN CONNECTION WITH FRANCHISOR'S SALE OF ANY GOODS OR SUPPLIES TO FRANCHISEE. Franchisee agrees to execute any and all documents Franchisor reasonably requests, including letters of credit, security agreements, and financing statements, to provide collateral for amounts due to Franchisor for purchases of inventory and other items custom in Franchisee's business. To the extent Franchisor's affiliate provides warranties for products and services, Franchisor's affiliates are solely responsible for those warranties.

1. Educational Robots. If you identify educational robot sales opportunities within an educational institution in your Protected Territory, you are required to introduce it to Franchisor's education team and Franchisor will pay you a 10% commission when a deal is closed. Franchisor does not recommend Franchisees attempt to sell educational robots (teaching aids) to educational institutions because purchase decisions often require an 18–24-month time investment for an initial order.

E. E.Maintenance of Premises; Modernization. Franchisee will, at its expense, repair, paint, and keep in an attractive, clean, and sanitary condition the interior and exterior of the Franchised Business premises. Franchisee will ensure that all equipment will be kept in good working order and will meet Franchisor's Brand Standards. Franchisee will periodically make capital expenditures to remodel, modernize, and redecorate the Franchised Business and to replace and modernize the furniture, items, signs, supplies, and equipment customary in the Franchised Business so that the Franchised Business will reflect the then- current physical appearance of new RobotLAB® Franchised Businesses. All remodeling, modernization, or redecoration of the Franchised Business must be done pursuant to Franchisor's then-current standards and specifications and only with Franchisor's prior written approval. Franchisee agrees to commence remodeling activities within ninety (90) days after written notice from Franchisor, although Franchisee will not be required to remodel, modernize, and redecorate the Franchised Business more than once every five years during the term of this Agreement.

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Business, including all licensing and bonding requirements, as well as the Americans with Disabilities Act (“ADA”), the Gramm-Leach-Bliley Act, the Fair Credit Reporting Act (“FCRA”), the Telephone Consumer Protection Act (“TCPA”), the Fair and Accurate Credit Transactions Act (“FACTA”), and the National Automated Clearinghouse Association (“NACHA”) and associated regulations (collectively “Privacy Laws”). No music, videos, or television may be played in the Franchised Business unless the appropriate licenses are obtained.

If the California Consumer Privacy Act (“CCPA”), Cal. Civ. Code § 1798.100, *et seq.*, or any federal or state privacy law applies to the Franchised Business, whenever and to the extent Franchisee operates as a “Service Provider” under the CCPA or in a similar capacity under any federal or state privacy law, Franchisee represents, warrants, and covenants that:

1. Franchisee and its employees, contractors, and other personnel will not sell, make available or otherwise disclose any Customer Information to any third-party;
2. Franchisee will retain, use, or disclose Customer Information only for the specific purpose of performing the services specified in this Agreement, and not any commercial or noncommercial purpose other than providing the services specified in this Agreement;
3. Franchisee will not retain, use, or disclose Customer Information outside of the direct business relationship between Franchisee and Franchisor;
4. Franchisee will delete any Customer Information upon Franchisor’s request unless Franchisee can prove that such request is subject to an exception under applicable law; and
5. Franchisee certifies that it understands the restrictions in Paragraphs 1-4 of this section and will comply with them. Franchisee also acknowledges and agrees that Franchisor may modify the restrictions by written notice to Franchisee, including adding other similar privacy restrictions that may be required under other state or federal privacy laws.

G. **H. Payment of Liabilities.** Franchisee will timely pay all of its obligations and liabilities due and payable to Franchisor, suppliers, lessors, and creditors. Franchisor reserves the right to assess a Late Fee equal to one thousand dollars (\$1,000) per occurrence or any other late payment, plus interest on the unpaid amount at a rate equal to eighteen percent (18%) per annum or the highest amount permitted by applicable law, whichever is less.

H. **I. Taxes.** Franchisee will promptly pay all federal, state, and local taxes arising out of the operation of Franchisee’s business. Franchisor will not be liable for these, or any other taxes, and Franchisee will indemnify Franchisor for any such taxes that may be assessed or levied against Franchisor which arise or result from Franchisee’s business.

I. **J. Standardization.** Franchisee will require its employees to wear such uniforms as Franchisor may designate and will comply with such programs of standardization as Franchisor may periodically develop to promote the common business image and to protect the goodwill associated with the Marks and Business System.

K.

J. Personnel. Franchisee will, at all times when open for business, have a person designated as a management person on duty who will be responsible for the business operations of Franchisee’s business and who has completed NFOT and who shall have executed a confidentiality agreement in the form we require. Franchisee will employ and maintain a sufficient number of adequately trained and competent employees to provide efficient service to Franchisee’s customers. Franchisee must employ a minimum of one (1) salesperson and one (1) implementation employee per Block Franchisee operates. Franchisee’s employees will not be deemed to be Franchisor’s employees for any purpose whatsoever, and nothing in any aspect of the Business System or the Marks in any way shifts any employee or employment related

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responsibility from Franchisee to Franchisor. Franchisee alone is responsible for hiring, firing, training, setting hours for, and supervising all employees.

K. M. Hours of Operation. Franchisee's Franchised Business will be open for business at the time and in the manner Franchisor provides in the Operations Manual. The minimum hours of operation may be periodically amended by Franchisor and/or updated in the Operations Manual.

L. N. Additional Training Seminars. Franchisor may periodically conduct refresher courses, seminars, and other programs for all RobotLAB® franchisees. Franchisee and/or its employees will be required to attend any such programs and will be responsible for any expenses incurred by them in attending such programs including the cost of training sessions as detailed in the Operations Manual, transportation, lodging, meals, and any wages. [If Franchisor hires or designates a third-party to conduct a training session, Franchisee shall be required to pay the training provider their fees to complete the training.](#)

M. O. Photographs. Franchisor will have the right to photograph the Franchised Business premises and, with prior written consent, Franchised Business employees and customer sites at all reasonable times.

N. P. Operations Manual. To protect Franchisor's reputation and goodwill and to maintain uniform operating standards under the Marks and Business System, Franchisee will conduct its business according to Franchisor's Operations Manual and other confidential Manuals provided by Franchisor. Franchisee will receive an electronic or hard copy of each Manual. Franchisee will treat each Manual as confidential and will use all reasonable efforts to maintain the Operations Manual as secret and confidential. The Manuals will remain Franchisor's sole property. Franchisor may periodically revise the contents of the Manuals. Franchisee agrees to comply with each new or changed standard. Franchisee will ensure that its copy of each Manual is kept current. In the event of any dispute as to the contents of any Manual, the terms of the master copy of such Franchisor maintains will control. At Franchisor's option, Franchisor may post some or all of the Operations Manual and other confidential Manuals and materials on the Extranet to which Franchisee will have access. Any passwords or other digital identifications necessary to access the Operation Manual on the extranet will be deemed secret and confidential. It is Franchisee's obligation to monitor and access the extranet for any updates to the Operating Manual or system standards. [If you fail to comply with the system standards or the Operating Manual, we may assess a "System Non-Compliance Fee" equal to \\$500.00 per occurrence. Repeated instances of non-compliance may result in termination of the Franchise Agreement.](#)

O. Q. Lease. Franchisee's lease or sublease for the Franchised Business premises must be reviewed by Franchisor before its execution. Franchisee must provide Franchisor with an executed copy of any lease for the Franchised Business. Franchisor makes no guarantees concerning the success of the Franchised Business located on any site consented to by Franchisor. Franchisor recommends that Franchisee employ an independent real estate broker to assist Franchisee in locating a suitable site and negotiating a lease for such site. Franchisee's lease must contain provisions requiring that: (i) so long as this Agreement remains in effect, the premises will be custom only for a RobotLAB® business; (ii) the landlord will provide Franchisor written notice of any Franchisee default and/or right to cure; and (iii) upon termination of this Agreement or the Lease, Franchisee must remove, at its sole expense, all signs and materials bearing the name "RobotLAB®" and other Marks. Concurrently with the execution of your lease, you and the landlord for your leased premises must execute the form of Lease Rider contained in Attachment D to this Agreement.

P. R. Computer Systems. Franchisee will utilize in the Franchised Business the "Computer Systems" (individually, the "Local Computer System" and "Online Computer System" as defined below) which Franchisor has selected for the Business System, including all future updates, supplements, and modifications. Franchisee may be required to enter into a separate computer software license agreement specified by any third-party suppliers of the Computer Systems. Franchisor may access information and [data produced by Franchisee's Computer Systems. As further described in Section 5\(C\), Franchisor has the right to access and use such information and data for its internal business purposes.](#)

determine the amounts owed for Royalty Fees. The computer hardware components must conform with specifications Franchisor

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~~data produced by Franchisee's Computer Systems. As further described in Section 5(C), Franchisor has the right to use the information obtained from Franchisee's Computer Systems to determine the amounts owed for Royalty Fees. The computer hardware components must conform with specifications Franchisor develops and must be configured as a package unit as Franchisor designates. The "Local Computer System" includes: (a) laptops for each employee (including monitors, keyboards, and mice if needed) which must be purchased from Franchisor at a preset rate, currently one thousand five hundred dollars (\$1,500.00) per laptop, (b) wired and wireless network equipment, (c) mobile hot spot for robot deployment (including a data subscription), (d) mobile phones for employees, (e) at least one all-in-one printer, (f) tablets for sales and technician personnel, currently four hundred fifty dollars (\$450.00) per tablet, (g) office alarm systems, sensors, and camera (recommended but not required by us), (h) one office desk phone, and (i) one large format (11x17) printer. The "Online Computer System" includes the license and hardware for the cloud-based software we use, including our sales and customer management system and managing email marketing, as well as the software to operate the business. Franchisee will be required to utilize and, at Franchisor's discretion, pay for all future updates, supplements, and modifications to the Computer System. Franchisee may be required to update its Computer System every five (5) years or less, depending on updates in technology and Franchisor's current standards. Franchisor reserves the right to charge a Technology Maintenance Fee. Franchisor will provide a minimum of thirty (30) days' written notice prior to implementation of such fee. It is Franchisee's responsibility to make sure that Franchisee is in compliance with all laws that are applicable to the Computer System or other technology custom in the operation of Franchisee's Business, including all data protection or security laws. You must maintain and exclusively use franchised "@RobotLAB.com" email accounts for customer communications, which will be provided to you. You may not contact other robot manufacturers directly and are required to enter all purchase orders from us using the Computer System. Purchasing, leasing, renting, bartering, or trading any products directly with manufacturers will be considered an incurable breach of the Franchise Agreement, which will lead to immediate termination of the Franchise Agreement.~~

Q. T. Technology Fee. Currently, Franchisee must pay **an amount a base rate of seven hundred ninety-four dollars (\$794.00), plus one hundred sixty-one dollars (\$161.00)** per employee per month to Franchisor for the Technology Fee for technology-related services provided by Franchisor. **Currently, Franchisee shall pay** ~~Franchisor will provide a minimum of thirty (30) days' written notice prior to any increase of the Technology Fee unilaterally. As you add employees, you should expect your Technology Fee to rise by the then-current per employee rate. The Technology Fee will be proportionate to the technology services we provide to you.~~

\$485 per person in the organization with an email address or access to any of the online systems. ~~Franchisor will provide a minimum of thirty (30) days' written notice prior to any increase of the Technology Fee.~~

R. U. Participation in Internet Website. Franchisee must have high speed internet access from the Franchised Business. Franchisor will include Franchisee in the Franchised Business location section of Franchisor's website www.RobotLAB.com at no charge as part of Franchisee's marketing fund. Franchisor will establish the rules from time to time, and Franchisee shall be required to strictly abide by all such rules and follow the then current form of RobotLAB® Internet Code of Conduct. Franchisee shall not create a separate Franchised Business website, domain name, similar or in conjunction with your company name or Protected Territory name, as assigned by us. Franchisor will, at its discretion, determine the content and use of the RobotLAB® website, and the core brand content and design of the franchisee Franchised Business website templates. Franchisor will retain all rights relating to the RobotLAB® website and the individual Franchised Business's website template and domain name(s) (URL) and may alter or terminate the websites upon thirty (30) days' notice to Franchisee. Franchisee's general conduct on the internet and specifically its use of the Marks on the internet (including the domain name and any other Marks Franchisor may develop as a result of participation on the internet) will be subject to the provisions of this Agreement and regulated by the Internet Code of Conduct or similar document. Franchisee acknowledges that certain information obtained through its participation in the RobotLAB® internet and extranet websites may be considered Confidential Information (as defined in Section 9 below). ~~The following provisions are an integral part of this financial~~

participate in the RobotLAB® internet or extranet sites, or otherwise use the Marks or Business System on the internet, will terminate when this Agreement expires or terminates. It is Franchisee’s responsibility to ensure that its website and other web content complies with all applicable provisions of the current Web Content Accessibility Guidelines (“WCAG”) and/or related laws.

S. V. Summits and Conventions. RobotLAB®’s annual Franchisee summit **of our Franchisees** (a “Summit”) is mandatory for all **franchisees and their personnel, Franchisee or a Franchisees, and the** designated representative if Franchisee is an entity. The Franchisee, or designated representative, must attend each Summit (up to one (1) per calendar year) and we may charge a “Summit **fee of up to Fee” which is currently** seven hundred fifty dollars (\$750.00) per attendee. Even if **neither Franchisee nor a principal attends, Franchisee must pay to Franchisor an attendance fee of seven hundred fifty dollars (\$750.00).** ~~Franchisee is also responsible for paying the costs of travel, living expenses, food, and wages for its personnel while attending the Summit.~~ Franchisee, or

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a designated representative, do not attend, you will be charged the full Summit Fee. Franchisee is also responsible for paying the costs of travel, living expenses, food, and wages for its personnel while attending the Summit. Franchisor reserves the right to increase the Summit Fee in proportion to match the cost of living increases over the life of the Term.

T. Required Equipment, Supplies and Vehicles. Franchisee must purchase the required equipment, supplies, and vehicles for its use in the Franchised Business. The equipment, supplies, and vehicles must meet the specifications (brand, model and/or performance specifications) in the Operations Manual, including supplies, communications equipment, and business technology, and software used in the Franchised Business. These specifications include standards for delivery, performance, design, reliability, and appearance. Such specifications may be modified periodically, and any costs associated with such modifications shall be the sole responsibility of Franchisee.

1. Franchisee shall maintain the equipment and vehicles in good condition and repair throughout the term of this Agreement. Franchisee shall follow all service guidelines and bulletins regarding the periodic maintenance and servicing of the equipment and vehicles provided by Franchisor or the supplier.
2. Franchisee must use the equipment and vehicles in strict accordance with this Franchise Agreement and Operations Manual. Among other restrictions, Franchisee may use the equipment and vehicles solely for the Business and for no other purpose and Franchisee may not sell, encumber, or transfer any rights in the equipment or vehicles except in strict compliance with this Franchise Agreement.
3. In the event this Agreement is terminated for whatever reason and the Franchisee is no longer operating a RobotLAB[®] Franchised Business, the Franchisor shall have the right of first refusal, but not the obligation, to purchase the equipment and vehicles at a price the parties agree on.

9. CONFIDENTIAL INFORMATION

~~materials, specifications, and procedures; all customer lists, customer data and other records generated and/or otherwise maintained by the Franchised Business; Franchisor's Internet Code of Conduct, social media policy, internet/web protocols, procedures and content; Franchisor's training and other instruction~~B.

A. Non-Disclosure of Confidential Information. Franchisee and those individuals who have signed the Personal Guaranty attached hereto as Attachment B agree to use and permit the use of Franchisor's Confidential Information (as defined below) solely in connection with the operation of the Franchised Business. Franchisee and Personal Guarantors further agree that they will never, during the initial term or any renewal term of this Agreement, or any time after this or any renewal Franchise Agreement expires or terminates, or Franchisee's rights under this Agreement or any renewal Franchise Agreement are assigned or terminated, divulge or use any of Franchisor's Confidential Information for the benefit of any third-party (including any person, business entity, or enterprise of any type or nature), nor will Franchisee or Personal Guarantors directly or indirectly aid such third party to imitate, duplicate or "reverse engineer" any of Franchisor's Confidential Information. "Confidential Information" means all information, knowledge, trade secrets, or know-how utilized by the Business System, or which otherwise concerns Franchisee's or Franchisor's systems of operation, programs, services, products, customers, practices, materials, books, records, manuals, computer files, databases, or software. Confidential Information includes (without limitation): all elements of the Business System and all products, services, equipment, technologies, policies, standards, requirements, criteria, and procedures that now or in the future are part of the Business System; Franchisor's Operations Manual (including supplements to the Manual); all specifications, sources of supply, all procedures, systems, techniques, and activities employed by Franchisor or Franchisee in the offer and sale of products and or services at the Franchised Business; all pricing paradigms established by Franchisor or by Franchisee; all of Franchisor's and/or Franchisee's sources (or prospective sources) of supply and all information

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materials, specifications, and procedures; all customer lists, customer data and other records generated and/or otherwise maintained by the Franchised Business; Franchisor's Internet Code of Conduct, social media policy, internet/web protocols, procedures and content; Franchisor's training and other instruction programs and materials; all communications between Franchisor and Franchisee (including the financial and other reports Franchisee is required to submit to Franchisor under the Agreement); additions to, deletions from and modifications and variations of the components of the Business System and all other information, knowledge and know-how which Franchisor and its affiliates, now or in the future, designate as confidential.

Confidential Information will not, however, include information that Franchisee and Personal Guarantors can demonstrate came to their attention before Franchisor disclosed it to Franchisee (unless illegally or improperly procured by Franchisee or its Personal Guarantors before Franchisor's disclosure) or which, at or after the time of disclosure, has become a part of the public domain through publication or communication by others, but not through any act of Franchisee or Personal Guarantors.

Except as authorized in this Agreement, Franchisee and Personal Guarantors agree never to copy, duplicate, record, or otherwise reproduce any of the Confidential Information, in whole or in part; otherwise share it with any other third-party individual or entity; store it in a computer or other electronic format; or otherwise make it available to any third-party by any other means whatsoever. Upon the expiration or termination of this Agreement, Franchisee and Personal Guarantors agree to return to Franchisor such Confidential Information as Franchisor requests (including customer lists and records; all training materials and other instructional content; financial and non-financial books and records; the Manual; and computer databases, software and manuals) which are then in Franchisee's or Personal Guarantor's possession, or upon Franchisor's request, destroy all or certain Confidential Information and certify such destruction to Franchisor. It is specifically understood that all customer lists or information acquired by the Franchised Business is Franchisor's property, not the property of Franchisee or Personal Guarantors. Franchisor may use this information to market to Franchisee's customers during and after the term of the Franchise Agreement. Franchisee will execute any document required by Franchisor to ensure that Franchisor will have access to that information.

Franchisee and Personal Guarantors must only divulge such Confidential Information to Franchisee's operational personnel as is necessary for each to perform his/her functions and then only on a "need to know" basis. Franchisee and Personal Guarantors agree to take all necessary precautions to ensure that these individuals maintain the Confidential Information in confidence and comply with the confidentiality provisions of this Agreement. Franchisee's agreement to procure execution of a Confidentiality/Non- Competition Agreement from certain of Franchisee's owners, management and staff is set forth before in Section 9(B) of this Agreement.

B. Confidentiality/Non-Competition Agreements. All of Franchisee's employees who have access to Confidential Information of Franchisor, as well as all corporate officers, directors, and shareholders if Franchisee is a corporation (all partners if Franchisee is a partnership), must sign Confidentiality/Non- Competition Agreements in a form satisfactory to Franchisor, agreeing to maintain the confidentiality, during the course of their agreement and thereafter, of all information Franchisor copyrights or designates as confidential and proprietary. Copies of the executed agreements will be provided to Franchisor upon request.

Franchisee agrees to vigorously and vigilantly prosecute to the fullest extent permitted by law breaches of any Confidentiality/Non-Competition Agreement executed pursuant to this provision, and acknowledge Franchisor's right, to be exercised as Franchisor alone determines, to enforce the terms of any such executed Confidentiality/Non-competition Agreement. If the substantive provisions of the Confidentiality/Non- Competition Agreement have been breached by an individual employed, engaged, or otherwise serving the Franchised Business who has not executed a Confidentiality/Non-Competition Agreement, Franchisee must nevertheless vigorously and vigilantly prosecute such conduct to the fullest extent permitted by law.

The accompanying notes are an integral part of this financial

C. Non-solicitation. Except to the extent prohibited by applicable law, Franchisor and Franchisee agree not to recruit or hire, either directly or indirectly, any officer, director, employee, independent contractor or agent of the other party (or a former employee, independent contractor or agent for the other party) for one (1) year after his or her employment or business relationship with Franchisor or franchisee, as the case may be, has ended without first obtaining the other party's written consent. If Franchisor or franchisee violate this provision, in addition to any other rights or remedies Franchisor or franchisee may have, Franchisor or franchisee, as the case may be, shall pay the other party an amount equal to two times the annual compensation of such individual, including salary and/or other compensation' (e.g., commissions) of such individual, plus all costs and attorneys' fees incurred by the non-breaching party, which the parties agree is a reasonable estimation of each of the party's damages in the event of such a breach of this Agreement.

10. INSURANCE; BONDING

A. Insurance. Franchisee will obtain and maintain in force (under policies of insurance issued by a carrier that is rated A- or better by A.M. Best) and pay the premiums for:

Policy	Policy Limits/Description	Required or Recommended
General Liability	\$1,000,000 per occurrence/\$2,000,000 aggregate with the minimum sub-limits must be met: \$1,000,000 Personal & Advertising Injury, \$2,000,000 Products/Completed Operations Aggregate, \$300,000 Damage to Rented Premises and \$10,000 Medical Expense	Required
Owned, Hired & Non-Owned Auto Liability	Minimum \$1,000,000 combined single limit each accident	Required
Workers Compensation and Employers Liability	Minimum limits no less than \$500,000 per accident for bodily injury by accident; \$500,000 policy limit by disease; and \$500,000 per employee for bodily injury by disease or as required by law in your state	Required (if state law requires)
Professional Liability	\$1,000,000 per occurrence/\$1,000,000 aggregate, on an occurrence basis	Required
Special Form property insurance	An amount appropriate to cover full replacement value of contents. Business Income and Extra Expense must be included on an actual loss sustained basis for a minimum of 12 month . <u>months</u>	Recommended
1st and 3rd Party Crime	No less than \$25,000 (this requirement can be satisfied with a bond)	Recommended
Umbrella Liability	\$1,000,000 minimum limits to extend over general liability, owned/hired/non-owned liability and employers' liability	Recommended
Employment Practices Liability (EPL)	\$1,000,000 minimum limit. Coverage must include a 3rd party endorsement	Recommended

Such insurance policies will expressly protect both Franchisee and Franchisor and will require the insurer to defend both Franchisee and Franchisor in any action. In addition, each such insurance policy must

The accompanying notes are an integral part of this financial

employees and the customers of the Franchised Business. Franchisee acknowledges and agrees that the various requirements, prohibitions, specifications, and procedures of the Business System which Franchisee is required to comply with under this Agreement, whether set forth in the Operations Manual or otherwise, do not directly or indirectly constitute, suggest, infer, or imply that Franchisor controls any aspect or element of the day-to-day operations of the Franchised Business, which Franchisee alone controls, but only constitute standards Franchisee must adhere to when exercising control of the day-to-day operations of the Franchised Business. Franchisee may not, without Franchisor's written approval, have any power to obligate Franchisor for any expense, liabilities, or other obligations, other than specifically provided in this Agreement.

12. SALES REPORTS, FINANCIAL STATEMENTS AND AUDIT RIGHTS

A. Sales Reports. Franchisor and Franchisee will have access to all sales reports on the Online Computer System.

B. Financial Statements. Franchisee will, at its expense, provide Franchisor with quarterly and annual financial statements and such other financial reports as Franchisor specifies using the forms and chart of accounts Franchisor requires. All financial information provided to Franchisor under this Section must be presented in the form Franchisor periodically requires in writing. Franchisee will deliver the quarterly financial information to Franchisor by the thirtieth (30th) day of the month following the end of the preceding quarter. The annual financial statement must be provided on or before March 1 of each year for the preceding calendar year. If there is reasonable uncertainty as to the validity of the financial statements, we may have it audited.

~~financial information to Franchisor by the thirtieth (30th) day of the month following the end of the preceding quarter. The annual financial statement must be provided on or before March 1 of each year for the preceding calendar year.~~

C. D. Audit Rights. Franchisee will make all its financial books and records (including the tax returns of Franchisee, its Personal Guarantors, and its shareholders) available to Franchisor or its designated representative at all reasonable times for review and audit by Franchisor or its designee. Franchisee will keep its financial books and records for each fiscal and calendar year in a secure place and will make them available for audit by Franchisor for at least five (5) years. If an audit conducted by Franchisor results in a determination that the Royalty Fees or other amounts paid to Franchisor are deficient (underpaid) by more than one percent (1%), Franchisee will pay Franchisor for the reasonable costs and expenses that it has incurred as a result of the audit. If pursuant to audits, the Royalty Fees have been deficient by more than one percent (1%) twice or more within any five (5) year period, this will be considered a material breach of this Agreement. In addition, Franchisee's failure to fully cooperate and timely complete the audit procedures is a material breach of the Franchise Agreement, and Franchisee will pay all Franchisor's costs and expenses Franchisor incurs resulting from Franchisee's lack of cooperation and untimeliness.

13. FRANCHISOR'S RIGHT OF FIRST REFUSAL TO PURCHASE

A. Restrictions. Franchisee will not sell, assign, trade, transfer, lease, sublease, or otherwise dispose of: (i) any interest in or any part of the Franchised Location or this Agreement, or (ii) any controlling interest (whether through one or more related transactions) in Franchisee's business or the assets of Franchisee's business to any third party, without first offering the same to Franchisor in writing, at the same price and on the same terms as stated in the proposed third-party offer. Franchisee's written offer to Franchisor must contain all material provisions of the proposed sale or transfer. Upon Franchisor's receipt of written notice specifying the proposed price and terms of a proposed sale or transfer of Franchisee's business or interest therein, Franchisor will give Franchisee written notice within ten (10) business days thereafter if Franchisor has an interest in negotiating to purchase the business or interest being offered according to the proposed terms. If Franchisor commences negotiations to purchase Franchisee's business or interest therein as described herein, Franchisee may not sell the business or interest being offered to a third-party for at least thirty (30) days or until Franchisor and Franchisee agree in writing that

subject to the provisions stated in Section 14 of this Agreement. Franchisor's nonacceptance of Franchisee's written offer will not affect or change Franchisee's obligations under this Agreement.

B. Corporate Franchisee. If Franchisee is a corporation, the shareholders cannot sell, assign, pledge, or otherwise dispose of a controlling interest in the capital stock of Franchisee ("Capital Stock") (except to immediate family members of the controlling shareholder(s) or to a trust established for their benefit) until the Capital Stock has been first offered to Franchisor in writing under the same terms and conditions offered to any third-party. A shareholder of Franchisee may, however, bequeath, sell, assign, trade, or transfer his/her Capital Stock to the other shareholders of Franchisee corporation because of death or permanent disability without first offering it to Franchisor, provided Franchisee provides Franchisor with written notice of all such transactions. All shares of Capital Stock issued by Franchisee's corporation to its shareholders must bear the following legend on the reverse side of each issued and outstanding stock certificate:

The shares of capital stock represented by this certificate are subject to a written Franchise Agreement which grants RobotLAB® a right of first refusal to purchase these shares of capital stock from the shareholder.

Nothing in this Section will be construed as prohibiting the shares of Capital Stock of a corporate Franchisee from being pledged as security to an institutional lender who has provided financing to or for the Franchised Business, provided the institutional lender accepts such security interest subject to Franchisor's reasonable conditions.

14. ASSIGNMENT OF FRANCHISE AGREEMENT

A. **By Franchisor.** A sale, transfer, or assignment by Franchisor of its interest in the Business System or the Marks or any parts thereof, and/or in the sale, transfer, or assignment by Franchisor of this Agreement or any interest therein, may be completed without the consent of Franchisee. To the extent that the purchaser or transferee shall assume the covenants and obligations of Franchisor under this Agreement, Franchisor shall thereupon and without further agreement, be freed and relieved of all liability with respect to such covenants and obligations. Franchisee acknowledges that nothing in this Agreement shall prevent Franchisor from granting security over any of its assets, including the Marks and any other intellectual property, on terms required by any secured party from time to time, and Franchisee further acknowledges that any such secured party or any agents acting on behalf of such secured party shall not have any obligations to Franchisee by reasons only of such security interest.

B. **Corporate Franchisee.** This Agreement may be transferred or assigned by Franchisee to a corporation which is owned or controlled by Franchisee, provided Franchisee and all other shareholders of the assignee corporation owning at least ten percent (10%) of the Capital Stock thereof sign the Personal Guaranty attached hereto as Attachment B and agree to be bound by the provisions of this Agreement. Franchisee will give Franchisor fifteen (15) days written notice before the proposed date of assignment or transfer of this Agreement to a corporation owned or controlled by Franchisee. Any change in the owners of the Corporate Franchisee requires a prior, written approval from Franchisor. The transfer or assignment of this Agreement will not be valid or effective until Franchisor has received the legal documents which its legal counsel deems necessary to properly document such transfer or assignment.

C. **Conditions to Other Transfer or Assignment.** Franchisee (and its partners and shareholders, if any) will not transfer (whether voluntary or involuntary), assign, or otherwise dispose of, in one or more transactions, Franchisee's business, the Franchised Location, all or substantially all of the assets of Franchisee's business, this Agreement, or any controlling interest in Franchisee (a "controlling" interest will include a proposed transfer of fifty percent (50%) or more of the Capital Stock of a corporate Franchisee) without Franchisor's prior written consent, except to trusts established for Franchisee's benefit. Franchisor will not unreasonably withhold its consent to a transfer, subject to any or all the following conditions described below which Franchisor deems necessary:

1. All of Franchisee's accrued monetary obligations to Franchisor and suppliers will have been satisfied, and Franchisee is not in default under this Agreement;

2. Franchisee executes a written agreement in a form satisfactory to Franchisor, in which Franchisee covenants to observe all applicable post-term obligations and covenants contained in this Agreement;

3. The transferee-franchisee enters into a written agreement in a form satisfactory to Franchisor assuming and agreeing to discharge all of Franchisee's obligations and covenants under this Agreement for the remainder of its term or, at Franchisor's option, executes Franchisor's then-current standard form of franchise agreement which may not contain any further rights of renewal, but may contain royalty rates and advertising contributions (which may be different than those contained in this Agreement), and an altered Protected Territory;

4. The transferee-franchisee is not a competitor, or deemed as a competitor by Franchisor, of Franchisor or the Business system and is approved by Franchisor and demonstrates to Franchisor's satisfaction that he/she meets Franchisor's managerial, financial, and business standards for new franchisees, possesses a good business reputation and credit rating, and has the aptitude and ability to conduct the franchised business. Franchisee understands that Franchisor may communicate directly with the transferee-franchisee during the transfer process to respond to inquiries, as well as to ensure that the transferee-franchisee meets Franchisor's qualifications;

5.

5. 6. While Franchisor does not determine the purchase price of the franchised business, Franchisor has determined that the purchase price and payment terms will not adversely affect the transferee-franchisee's operation of the Franchised Business;

6. 7. If Franchisee finances any part of the purchase price, Franchisee agrees that all of the transferee-franchisee's obligations under any promissory notes, agreements, or security interests reserved in the Franchised Business are subordinate to the transferee-franchisee's obligations to pay Royalty Fees, Brand Fund Fees, and any other amounts due to Franchisor under the Franchise Agreement;

7. 8. The transferee-franchisee successfully completes Franchisor's training program; and Franchisee pays Franchisor a transfer fee equal to the greater of: (i) ten thousand dollars (\$10,000.00); or (ii) twenty five percent (25%) of the then current Initial Franchise Fee per Protected Territory being sold, plus any third-party brokers' fees, and the costs Franchisor incurs, including the costs of any required training. There will be no transfer fee payable for transfers to immediate family members (i.e.: spouse or children).

15. FRANCHISOR'S TERMINATION RIGHTS

A. Grounds. Franchisee will be in default, and Franchisor may, at its option, terminate this Agreement, as provided herein, if: (i) Franchisee fails to open and commence operations of the Franchised Business at such time as the premises are ready for occupancy or within four (4) months of the execution of this Agreement, whichever occurs first; (ii) Franchisee violates any material provision or obligation of this Agreement; (iii) Franchisee or any of its managers, directors, officers, or majority shareholders are convicted of, or plead guilty to or no contest to (a) a charge of violating any law which adversely impacts upon the reputation of the franchised business or (b) any felony; (iv) Franchisee fails to conform to the material requirements of the Business System or the material standards of uniformity and quality for the products and services Franchisor has established in connection with the Business System; (v) Franchisee fails to timely pay Royalty Fees, Brand Fund Fees, buying group (inventory) obligations or any other obligations or liabilities due and owing to Franchisor or fails to timely pay any advertising cooperative obligations; (vi) Franchisee is insolvent within the meaning of any applicable state or federal law; (vii) Franchisee makes an assignment for the benefit of creditors or enters into any similar arrangement for the disposition of its assets for the benefit of creditors; (viii) Franchisee

voluntarily or otherwise “abandons” (as defined below) the franchised business; (ix) Franchisee is involved in any act or conduct which materially impairs the goodwill associated with the name “RobotLAB®” or any of the Marks or the ~~Business System~~; ~~(x) Franchisee’s lease for the Franchised Business premises expires or is terminated for any reason (unless Franchisee receives Franchisor’s written consent and relocates within the Protected Territory to a site approved by Franchisor within sixty (60) days thereafter and Franchisee signs a new lease in compliance with Section 8(O)); (xi) Franchisee defaults in any other agreement with Franchisor, its subsidiaries or affiliates, and does not cure such default in accordance with the terms of such other agreement; (xii) Franchisee receives frequent and/or severe complaints from customers and/or employees concerning the Franchised Business; (xiii) Franchisee fails to fully cooperate and timely complete any audit authorized by Franchisor; (xiv) Franchisee fails to satisfy the **Minimum Performance Standards for two consecutive years**; or (xv) Franchisee violates the in term covenant not to compete. The term “abandon” means Franchisee’s failure to operate the Franchised Business during regular business hours for a period of ten (10) consecutive days without Franchisor’s prior written consent unless such failure is due to an act of God, war, strikes, or riots.~~

The accompanying notes are an integral part of this financial

Business System; (x) Franchisee’s lease for the Franchised Business premises expires or is terminated for any reason (unless Franchisee receives Franchisor’s written consent and relocates within the Protected Territory to a site approved by Franchisor within sixty (60) days thereafter and Franchisee signs a new lease in compliance with Section 8(O)); (xi) Franchisee defaults in any other agreement with Franchisor, its subsidiaries or affiliates, and does not cure such default in accordance with the terms of such other agreement; (xii) Franchisee receives frequent and/or severe complaints from customers and/or employees concerning the Franchised Business; (xiii) Franchisee fails to fully cooperate and timely complete any audit authorized by Franchisor; (xiv) Franchisee fails to satisfy the requirements in Section 1(F); or (xv) Franchisee violates the in-term covenant not to compete. The term “abandon” means Franchisee’s failure to operate the Franchised Business during regular business hours for a period of ten (10) consecutive days without Franchisor’s prior written consent unless such failure is due to an act of God, war, strikes, or riots.

B. Procedure. Except as described below, Franchisee will have thirty (30) days, or such longer period as applicable law may require, after its receipt from Franchisor of a written Notice of Termination within which to remedy any default hereunder, and to provide evidence thereof to Franchisor. If Franchisee fails to correct the alleged default within that time (or such longer period of time as applicable law may require), this Agreement will terminate without further notice to Franchisee effective immediately when the thirty

(30) day period (or such longer period as applicable law may require) expires. Franchisor may terminate this Agreement immediately upon delivery of written notice to Franchisee, with no opportunity to cure, if the termination results from any of the following: (i) Franchisee repeatedly fails to comply with one or more material requirements of this Agreement; (ii) the nature of Franchisee’s breach makes it not curable; (iii) Franchisee willfully and repeatedly deceives customers relative to the source, nature or quality of goods sold; (iv) any default under items (i), (iii), (vi), (viii), (ix), (xi), (xii), (xiii), (xiv), or (xv) in Section 15(A) above; or (v) Franchisee willfully and materially falsifies any report, statement, or other written data furnished to Franchisor either during the franchise application process or after Franchisee is awarded a franchise. For purposes of Section 15(B)(i) of the Franchise Agreement, the word “repeatedly” means Franchisee’s failure, on two or more separate occurrences during any twenty-four (24) month period, to comply with one or more material requirements of the Franchise Agreement, even if the default is subsequently cured within the applicable time period. Any report submitted pursuant to Section 12 will be conclusively deemed to be materially false if it understates Gross Revenue by more than four percent (4%).

C. Applicable Law. If the provisions of this Section 15 are inconsistent with applicable law, the inconsistent provision will be modified, to the minimum extent necessary, to comply with the applicable law and such applicable law will apply.

16. FRANCHISEE’S TERMINATION RIGHTS; NOTICE REQUIRED

A. Termination. Franchisee may terminate this Agreement if Franchisor violates any material obligation of Franchisor to Franchisee and fails to cure such violation within thirty (30) days after Franchisor’s receipt of written notice from Franchisee; provided, however, that Franchisee is in substantial compliance with the Agreement at the time of giving such notice of termination. Franchisee’s written notice will identify the violation and demand that it be cured.

B. Required Notice. A party must give the other party written notice of an alleged default under or violation of this Agreement after it has knowledge of, determines, or is of the opinion that there has been an alleged default under or violation of this Agreement. If there is failure to give written notice of an alleged default under this Agreement within one (1) year from the date that the nonbreaching party has knowledge of, determines or is of the opinion that there has been an alleged default, the alleged default will be deemed to be approved and waived, and the alleged default or violation will not be deemed to be a default under or violation of this Agreement.

The accompanying notes are an integral part of this financial

D. D.Injunctive Relief. Franchisee agrees that damages alone cannot adequately compensate Franchisor if there is a violation of these non-competition covenants, and Franchisee stipulates that Franchisor would be irreparably harmed by such a violation and that preliminary and permanent injunctive relief is essential and must be entered for the protection of Franchisor. Preliminary and permanent injunctive relief will be entered by a court of competent jurisdiction enforcing the non-competition covenants without Franchisor posting any bond or security, in addition to all other remedies that may be available to Franchisor at equity or law.

19. ARBITRATION; ENFORCEMENT

A. Arbitration Process. Except to the extent Franchisor elects to enforce the provisions of this Agreement by judicial process and injunction as provided pursuant to Section 19(E), all disputes, claims and controversies between the parties arising under or in connection with this Agreement or the making, performance, or interpretation thereof (including claims of fraud in the inducement and other claims of fraud and the arbitrability of any matter) will be settled by arbitration in **DallasDenton County**, Texas pursuant to the Federal Arbitration Act. The arbitrator(s) will have a minimum of five (5) years' experience in franchising or distribution law and will have the right to award any type of relief except as limited by Section 19(D). The proceedings will be conducted under the commercial arbitration rules of the American Arbitration Association, to the extent such Rules are not inconsistent with the provisions of this arbitration provision. The decision of the arbitrator(s) will be final and binding on all parties. Claims in arbitration of different parties may not be joined. This Section will survive termination or non-renewal of this Agreement under any circumstances. Judgment upon the award of the arbitrator(s) may be entered in any court having jurisdiction thereof. During the pendency of any arbitration proceeding, Franchisee and Franchisor will fully perform their respective obligations under this Agreement.

B. C.Additional Proceedings. If, after Franchisor or Franchisee institutes an arbitration proceeding, one or the other asserts a claim, counterclaim or defense, the subject matter of which, under statute or current judicial decision is non-arbitrable for public policy reasons, the party against whom the claim, counterclaim, or defense is asserted may elect to proceed with the arbitration of all arbitrable claims, counterclaims, or defenses or to proceed to litigate all claims, counterclaims, or defenses in a court having competent jurisdiction.

C. D.JURY TRIAL & CLASS ACTION WAIVER. THE PARTIES IRREVOCABLY WAIVE: (i) TRIAL BY JURY; AND (ii) THE RIGHT TO ARBITRATE OR LITIGATE ON A CLASS ACTION BASIS IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF THE PARTIES.

D. E.Punitive Damages. Franchisor and Franchisee acknowledge that judgment upon an arbitration award may be entered in any court of competent jurisdiction and will be binding, final, and non-appealable. Franchisor and Franchisee (and their respective owners and guarantors, if applicable) agree to waive, to the fullest extent permitted by law, the right to or claim for any punitive or exemplary damages against the other and agree that in the event of a dispute between them, each will be limited to the recovery of actual damages sustained by it.

E. F.Enforcement of Franchise Agreement. Notwithstanding the other provisions of this Section 19, Franchisee recognizes that the failure of a single franchisee to comply with the terms of its RobotLAB® Franchise Agreement would cause irreparable harm to Franchisor or to some or all other RobotLAB® franchisees. Franchisor and Franchisee therefore agree that, in the event of a breach or threatened breach of Sections 3, 8, 9, 12, 13, 14, 17, and/or 18 of this Agreement by Franchisee or in the event of any conduct by Franchisee which is illegal or is dishonest or misleading to Franchisee's customers or prospective customers or may impair the goodwill associated with the Marks, Franchisor may obtain a temporary, preliminary, or permanent injunction restraining such breach or obtain a decree of specific performance, without showing or proving any actual damage and without posting any bond or other security. **The accompanying notes are an integral part of this financial**

foregoing equitable remedy will be in addition to, and not in lieu of, all other remedies or rights which Franchisor might otherwise have by virtue of any breach of this Agreement by Franchisee.

F. Attorney's Fees. The non-prevailing party will pay all costs and expenses, including reasonable attorney's fees, incurred by the prevailing party in any arbitration or action in court between Franchisor and Franchisee.

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

K.

20. SEVERABILITY AND CONSTRUCTION

A. Severability. All provisions of this Agreement are severable, and this Agreement will be interpreted and enforced as if all completely invalid or unenforceable provisions were not contained herein, and partially valid and enforceable provisions will be enforced to the extent they are valid and enforceable. If any applicable law or rule of any jurisdiction requires a greater prior notice period than is required hereunder, or if under any applicable law or rule of any jurisdiction, any provision of this Agreement is invalid or unenforceable, the prior notice required by such law or rule will be substituted for the notice requirements hereof, or such invalid or unenforceable provision will be modified to the extent required to be valid and enforceable. Such modifications to this Agreement will be effective only in such jurisdiction and will be enforced as originally made and entered into in all other jurisdictions.

B. Waiver. Franchisor and Franchisee may by written instrument unilaterally waive any obligation of or restriction upon the other under this Agreement. No acceptance by Franchisor of any payment by Franchisee and no failure, refusal, or neglect of Franchisor or Franchisee to exercise any right under this Agreement or to insist upon full compliance by the other with its obligations hereunder, including any mandatory specification, standard or operating procedure, will constitute a waiver of any provision of this Agreement.

C. Cumulative Rights. The rights of Franchisor and Franchisee hereunder are cumulative and no exercise or enforcement by Franchisor or Franchisee of any right or remedy hereunder will preclude the exercise or enforcement by Franchisor or Franchisee of any other right or remedy hereunder or which Franchisor or Franchisee is entitled by law to enforce.

D. Governing Law. Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Section 1051 et seq.), this Agreement and the franchise relationship will be governed by the laws of the state of Texas.

E. Binding Effect. This Agreement is binding upon the parties hereto and their respective executors, administrators, heirs, assigns, and successors in interest.

F. Consents. Whenever a party's consent or approval is required under this Agreement, such consent or approval will not be unreasonably withheld or delayed.

G. Entire Agreement. The "Background" section is a part of this Agreement which, together with exhibits, represents the entire agreement of the parties. This Agreement supersedes and terminates any prior oral or written understandings or agreements between Franchisor and Franchisee relating to the subject matter of this Agreement. ~~Nothing in this Agreement or any related agreement is intended to~~

:: Signature Page to Franchise Agreement ::

IN WITNESS WHEREOF, Franchisor and Franchisee have signed this Agreement as of the day and year signed below.

FRANCHISOR DISCLAIMS ANY WARRANTY OR REPRESENTATION AS TO THE POTENTIAL SUCCESS OF FRANCHISEE'S BUSINESS OPERATIONS UNDER THIS AGREEMENT.

This is a legal document which grants specific rights to and imposes certain obligations upon Franchisor and Franchisee.

FRANCHISOR:

ROBOTLAB FRANCHISING, LLC

By:

Name: Elad Inbar

Title: CEO

Date:

FRANCHISEE:

[FRANCHISEE ENTITY]

By:

Name:

Title:

Date:

The accompanying notes are an integral part of this financial

**ATTACHMENT A
TO THE FRANCHISE AGREEMENT**

**FRANCHISEE INFORMATION & PROTECTED
TERRITORY**

Effective Date:

Franchisee's Name(s):

(and state of incorporation, if applicable)

Ownership of Franchise: *If the franchisee is a business entity, the following persons constitute all the owners of a legal and/or beneficial interest in the franchisee:*

Owner Name	Ownership Percentage
	%
	%
	%

Principal Executive:

Franchisee Notice Information

- **Address:**
- **Phone:**
- **Email:**

Franchised Business Territory Information	
Blocks Franchisee Will Operate	
Franchise Fee	
Equipment Package Fee	

Your Minimum Performance Standards		
Period Following Original Opening Date	Minimum Gross Revenue Per Block	Total Gross Revenue Due for Entire Protected
Year 1	\$1,000,000	
Year 2	\$1,750,000	
Year 3 and beyond	\$3,000,000	

Protected Territory:

[Attach map or list of distinguishing territory features such as list of zip codes]

**ATTACHMENT B
TO THE FRANCHISE AGREEMENT**

PERSONAL GUARANTY OF OWNER/SHAREHOLDER

This Personal Guaranty and Assumption of Obligations (this “Guaranty”) is given as of the date signed by each party below, by [OWNERS AND SPOUSES OF FRANCHISEE ENTITY].

In consideration of, and as an inducement to, the execution of that certain Franchise Agreement of even date herewith (“Franchise Agreement”) by RobotLAB Franchising, LLC (“RobotLAB Franchising”, Franchisor” or “we”), a Delaware limited liability company, and [FRANCHISEE ENTITY], a [STATE ENTITY TYPE] (“Franchisee”), the undersigned hereby personally and unconditionally, jointly and severally: guaranties to Franchisor and its successors and assigns, for the Term of the Franchise Agreement and, including any renewal thereof, as provided in the Franchise Agreement, that Franchisee shall punctually pay and perform each and every undertaking, agreement and covenant stated in the Agreement and any documents, agreements, and instruments signed with or in connection with the Franchise Agreement (collectively, the “Franchise Documents”); and agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Franchise Documents applicable to the owners of Franchisee.

The undersigned waives:

1. acceptance and notice of acceptance by Franchisor of the foregoing undertakings;
2. notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed;
3. protest and notice of default to any party with respect to the indebtedness of non-performance of any obligations hereby guaranteed;
4. any right the undersigned may have to require that an action be brought against Franchisee or any other person as a condition of liability; and
5. any and all other notices and legal or equitable defenses to which the undersigned may be entitled.

The undersigned consents and agrees that:

1. the undersigned’s direct and immediate liability under this Guaranty shall be joint and several with all signatories to this and similar guaranties of Franchisee’s obligations;
2. the undersigned shall render any payment or performance required under the Franchise Agreement upon demand if Franchisee fails or refuses punctually to do so;
3. this Guaranty shall apply to any claims Franchisor may have due to return of any payments or property Franchisor may have received from Franchisee as a preference, fraudulent transfer or conveyance or the like in any legal proceeding;
4. such liability shall not be contingent or conditioned upon pursuit by Franchisor of any remedies against Franchisee or any other person; and
5. such liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which Franchisor may from time to time grant to Franchisee or any other person, including without limitation, the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which in any way modify or amend this Guaranty, which

**ATTACHMENT E
TO THE FRANCHISE AGREEMENT**

FRANCHISEE QUESTIONNAIRE/COMPLIANCE CERTIFICATION

FOR PROSPECTIVE FRANCHISEES THAT RESIDE IN OR ARE SEEKING TO OPERATE THE FRANCHISED BUSINESS IN ANY REGULATED STATE, SUCH PROSPECTIVE FRANCHISEE IS NOT REQUIRED TO COMPLETE THIS QUESTIONNAIRE OR TO RESPOND TO ANY OF THE QUESTIONS CONTAINED IN THIS QUESTIONNAIRE.

DO NOT SIGN THIS STATEMENT IF YOU ARE A RESIDENT OF, OR INTEND TO OPERATE THE FRANCHISED BUSINESS IN, ANY OF THE FOLLOWING STATES (EACH A REGULATED STATE): CA, HI, IL, IN, MD, MI, MN, NY, ND, RI, SD, VA, WA, WI.

As previously discussed, RobotLAB Franchising, LLC (“we”, “us”), and you are preparing to enter into a franchise agreement for the right to operate one (1) RobotLAB Franchised Business within a Protected Territory (each, a “Franchised Business”). The purpose of this Questionnaire is to: (i) determine whether any statements or promises were made to you that we have not authorized or that may be untrue, inaccurate, or misleading; (ii) be certain that you have been properly represented in this transaction; and (iii) be certain that you understand the limitations on claims you may make by reason of the purchase and operation of your franchise. **You cannot sign or date this Questionnaire the same day as the Receipt for the Franchise Disclosure Document, but you must sign and date it the same day you sign the Franchise Agreement and pay us the appropriate Franchisee Fee.** Please review each of the following questions carefully and provide honest responses to each question. If you answer “No” to any of the questions below, please explain your answer on the back of this sheet.

Y/N _____ 1. Have you received and personally reviewed the Franchise Agreement, as well as each exhibit or schedule attached to these agreements that you intend to enter into with us?

Y/N _____ we provided?

Y/N _____ received it?

Y/N _____

Y/N _____ 2. Have you received and personally reviewed the Franchise Disclosure Document we provided?

Y/N _____ 3. Did you sign a receipt for the Disclosure Document indicating the date you received it?

5.

Y/N _____ 4. Do you understand all the information contained in the Disclosure Document and the Franchise Agreement you intend to enter into with us?

Y/N _____ 5. Have you reviewed the Disclosure Document and Franchise Agreement with a lawyer, accountant or other professional advisor and discussed the benefits and risks of operating the Franchised Business with these professional advisor(s)?

Y/N _____ 6. Do you understand the success or failure of your Franchised Business will depend in large part upon your skills, abilities, and efforts and those of the persons you employ, as well as many factors beyond your control such as demographics of your Protected Territory, competition, interest rates, the economy, inflation, labor and supply costs, lease terms, and the marketplace?

Y/N _____ 7. Do you understand we have only granted you certain, limited territorial rights under the Franchise Agreement, and that we have reserved certain rights under the Franchise Agreement?

Y/N_____9. Do you understand all disputes or claims you may have, arising out of or relating to the Franchise Agreement, must be mediated and/or arbitrated, at our option, at our then-current headquarters?

Y/N_____10. Do you understand the Franchise Agreement provides that you can only collect compensatory damages on any claim under or relating to the Franchise Agreement and are not entitled to any punitive, consequential, or other special damages?

Y/N_____11. Do you understand the sole entity or person against whom you may bring a claim under the Franchise Agreement is us?

Y/N_____12. Do you understand that the Franchisee (or one of its principals if Franchisee is an organization), as well as any Principal Executive(s) (as defined in the Franchise Agreement), must successfully complete the appropriate initial training program(s) before we will allow the Franchised Business to open or consent to a transfer of that Franchised Business?

Y/N_____13. Do you understand that we require you to successfully complete certain initial training program(s) and if you do not successfully complete the applicable training program(s) to our satisfaction, we may terminate your Franchise Agreement?

Y/N_____14. Do you understand that we do not have to sell you a franchise or additional franchises or consent to your purchase of existing franchises (other than those that you timely fulfill your development obligations and have contracted to open under the Development Agreement, provided you have not materially breached that agreement and failed to timely cure that breach)?

Y/N_____15. Do you understand that we will send written notices, as required by your Franchise Agreement, to either your Franchised Business or home address until you designate a different address by sending written notice to us?

Y/N_____16. Do you understand that we will not approve your purchase of a franchise, or we may immediately terminate your Franchise Agreement, if we are prohibited from doing business with you under any anti-terrorism law enacted by the United States Government?

Y/N_____17. Is it true that no broker, employee, or other person speaking on our behalf made any statement or promise regarding the costs involved in operating a Franchised Business that is not contained in the Disclosure Document or that is contrary to, or different from, the information contained in the Disclosure Document?

Y/N_____18. Is it true that no broker, employee, or other person speaking on our behalf made any statement or promise regarding the actual, average, or projected profits or earnings, the likelihood of success, the amount of money you may earn, or the total amount of revenue a Franchised Business will generate, that is not contained in the Disclosure Document or that is contrary to, or different from, the information contained in the Disclosure Document?

Y/N_____19. Is it true that no broker, employee, or other person speaking on our behalf made any statement or promise or agreement, other than those matters addressed in your Franchise Agreement and/or Development Agreement concerning advertising, marketing, media support, marketing penetration, training, support service or assistance that is contrary to, or different from, the information contained in the Disclosure Document?

Y/N_____20. Is it true that no broker, employee, or other person providing services to you on our behalf has solicited or accepted any loan, gratuity, bribe, gift or any other payment in money, property, [or services from you in connection with a Franchised Business purchase with exception of those payments or loans provided in the Disclosure Document?](#)

YOU UNDERSTAND THAT YOUR ANSWERS ARE IMPORTANT TO US AND THAT WE WILL RELY ON THEM. BY SIGNING THIS QUESTIONNAIRE, YOU ARE REPRESENTING THAT YOU HAVE CONSIDERED EACH QUESTION CAREFULLY AND RESPONDED TRUTHFULLY TO THE ABOVE QUESTIONS.

FRANCHISEE APPLICANT(S):

(add more signature boxes as necessary)

By:

Name:

Date:

GIVE A COMPLETE EXPLANATION OF ANY NEGATIVE RESPONSES ON THE BOTTOM OF THIS PAGE (REFER TO QUESTION NUMBER(S)).

ATTACHMENT F
TO THE FRANCHISE AGREEMENT

AUTHORIZATION TO PROCESS CREDIT CARD TRANSACTIONS

Franchisor hereby authorizes Franchisee to process customer credit card transactions directly through a credit card processing platform. By accepting this authorization, Franchisee agrees to assume full financial responsibility for all credit card transactions processed by its staff.

Financial Verification and Liability

By processing credit card transactions independently, Franchisee acknowledges and agrees to the following:

a) Chargeback Liability

- **Responsibility:** Franchisor is not involved in financial verifications of transactions processed by Franchisee shall bear full liability for any chargebacks resulting from credit card transactions processed by Franchisee.
- **Obligation to Secure Alternative Payment:** In the event of a chargeback, Franchisee must promptly secure an alternative form of payment from the customer to successfully process the transaction.
- **Consequences of Non-Compliance:** If Franchisee fails to obtain an alternative form of payment, Franchisor reserves the right to withdraw the equivalent amount from Franchisee's account to cover the chargeback.

b) Platform Fee

- **Additional Charge:** Franchisee is required to add a 4% platform fee to the total amount due from customers for each credit card transaction. This fee compensates for the credit card processing services provided by the chosen platform.
- **Impact on Funds Transfer:** Consequently, the funds transferred from Franchisor to Franchisee for each transaction will be the total amount due minus the 4% platform fee.

3. Royalties and Other Fees

All other royalties, fees, and financial obligations outlined in the Agreement shall continue to apply to Franchisee's income as specified therein. The platform fee is discussed in the Franchise Agreement, it is listed here for clarity and transparency.

4. Indemnification

Franchisee agrees to indemnify, defend, and hold harmless Franchisor from any and all claims, liabilities, damages, and expenses (including reasonable attorneys' fees) arising out of or related to the processing of credit card transactions by Franchisee, including but not limited to chargebacks, fraud, and non-compliance with applicable laws and regulations.

5. Compliance with Laws and Regulations

Franchisee shall comply with all applicable federal, state, and local laws and regulations governing credit card processing, including the Payment Card Industry Data Security Standard (PCI DSS).

6. Termination of Authorization

Franchisor reserves the right to revoke Franchisee's authorization to process credit card transactions at any time if Franchisee fails to comply with the terms set forth in this Appendix or the Agreement. Upon termination, Franchisee must cease processing credit card transactions immediately.

7. Miscellaneous

- Amendments: This Appendix may be amended only by a written agreement signed by both Franchisor and Franchisee.
 - Severability: If any provision of this Appendix is found to be invalid or unenforceable, the remaining provisions shall remain in full force and effect.
 - Governing Law: This Appendix shall be governed by and construed in accordance with the laws of the state of Texas.
-

IN WITNESS WHEREOF, the parties hereto have executed this Appendix as of the date first above written.

Franchisor:
RobotLAB Corp

By: _____
Name: Elad Inbar
Title: CEO

Franchisee:
RobotLAB

By: _____
Name:
Title:



CONFIDENTIALITY AND RESTRICTIVE COVENANT AGREEMENT

[Sample ONLY]

This Agreement (the "Agreement") is entered into by the undersigned ("you") in favor of:

[On the Line Below, Insert Name of Franchisee that Owns and Operates the RobotLAB Franchised Business]

_____ (hereinafter referred to as "us", "our" or "we")

Recitals and Representations

WHEREAS, we are the owners of a licensed RobotLAB Business (hereinafter referred to as the "RobotLAB Business") that we independently own and operate as a franchisee;

WHEREAS, you are or are about to be an employee, independent contractor, officer and/or director of a RobotLAB Business that is independently owned and operated by us;

WHEREAS, in the course of your employment, independent contractor relationship and/or association with us, you may gain access to Confidential Information (defined below in this Agreement) and you understand that it is necessary to protect the Confidential Information and for the Confidential Information to remain confidential;

WHEREAS, our franchisor, RobotLAB Franchising, LLC is not a party to this agreement and does not own or manage the RobotLAB Business but is an intended third-party beneficiary of this Agreement; and

WHEREAS, this Agreement is not an employment agreement and is only a confidentiality agreement in connection with information, materials and access that may be provided to you in connection with the RobotLAB Business.

NOW THEREFORE, you acknowledge and agree as follows:

1. Recitals and Representations. You agree that the foregoing Recitals and Representations are true and accurate and shall constitute a part of this Agreement and are hereby incorporated into the main body of this Agreement.

2. Definitions. For purposes of this Agreement, the following terms have the meanings given to them below:

"Business Management System" refers to and means the software and/or internet or cloud-based system and/or systems, point of sale system or systems and customer relationship management system or systems as used in connection with the operations of the RobotLAB Business.

"Business Management System Data" refers to and means the forms, data, tools, customer information, inventory and sales information, and other information that is entered into and/or maintained on

RobotLAB Financial Services LLC
 3120 Sabre Dr.
 Southlake, TX 76092



LEASE OR PURCHASE AGREEMENT

Supplier Name & Address: RobotLAB Inc. 75 Broadway St. STE 202, San Francisco, CA 94111			
Owner: RobotLAB Financial Services LLC 3120 Sabre Dr. Southlake, TX 76092			Agreement Number:
CUSTOMER INFORMATION			
Full Legal Name:			Phone:
Billing Address:			Contact Name:
			Contact Email:
City:	State:	Zip:	EIN # (Required)
EQUIPMENT			
Quantity	Model and Description	Purchase	

FINANCING OPTIONS					
Chosen Term	Terms	Total Purchased	Down Payment	Monthly Financing Fee	Total Monthly Payment
Equipment Location:					

PAYMENT	
Direct ACH Debit	
** Include a copy of a voided check	
Bank:	Routing
Bank	Number:
Address:	Account
Bank Phone:	Number:

CUSTOMER ACCEPTANCE			
The undersigned Customer hereby authorizes RobotLAB Financial Services LLC ("RFS") to originate debits via the Automated Clearing House ("ACH") system or a Credit Card charges to its account at the Financial Institution named above for the purpose of making Lease Payments and any applicable Insurance Charges in accordance with this Lease Agreement. RFS reserves the right to modify the terms of this agreement by notifying you in writing 30 days in advance of the change. This payment agreement is to remain in effect throughout the entire term of the Lease Agreement. Any stoppage or change to the payment agreement without the written consent of RFS will constitute a default under the terms of the above referenced Lease Agreement(s) and would entitle RFS to			
Authorized Signer Name		Title	
Signature		Date	

PERSONAL GUARANTEE			
In consideration of Lessee entering into this Lease agreement, in reliance of this guaranty, the undersigned unconditionally and irrevocably guarantees to lessor, its successors and assigns, the prompt payment and performance of all existing and future obligations to Lessor, including the Lease. I agree that (a) this is a guaranty of payment and not of collection, and that Lessor can proceed directly against me personally without resorting to any security or seeking to collect from Lessee, (b) I waive all suretyship defenses including impairment of collateral, failure to properly perfect a security interest in the collateral, and all notices, including those of protest, presentment and demand, (c) Lessor may renew, extend or otherwise change the terms of the Lease without notice to me and I will be bound by such changes, and (d) I will pay all Lessor's costs of enforcement and collection, including attorney's fees. This guaranty survives the bankruptcy and binds my administrators, successors and assigns. My obligations under this guaranty continue even if Lessee becomes insolvent or bankrupt or is discharged from bankruptcy and I agree not to seek to be repaid by Lessee in the event I must pay Lessor, until you have been paid all amounts owed.			
Printed Name		Address	
Signature		Date	

OWNER ACCEPTANCE			
Accepted By:	Signature:	Name and Title	Date

RobotLAB Financial Services LLC			
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RobotLAB Financial Services LLC



3120 Sabre Dr.
Southlake, TX 76092

1. Definitions. The words "you" and "your" mean the legal entity identified in "Customer Information" above, and "RobotLAB Financial Services," "we," "us," "Owner" and "our" mean RobotLAB Financial Services LLC. "Party" means you or RobotLAB Financial Services, and "Parties" means both you and RobotLAB Financial Services. "Supplier" means RobotLAB inc. "Acceptance Date" means the date you irrevocably determine Equipment has been delivered, installed and operating satisfactorily, post a Trial Period if agreed upon. "Agreement" means this Agreement, including any attached Equipment schedule. "Commencement Date" will be a date after the Acceptance Date, as set forth in our first invoice, for the purpose of facilitating an orderly transition and to provide a uniform billing cycle. "Equipment" means the Items Identified in "Equipment" above and in any attached Equipment schedule, plus any Software (as defined in Section 3 hereof), attachments, accessories, replacements, replacement parts, substitutions, additions and repairs thereto. "Interim Period" means the period, if any, between the Acceptance Date and the Commencement Date. "Interim Payment" means one thirtieth of the Lease Payment multiplied by the number of days in the Interim Period. "Payment" means the Lease Payment specified above, Taxes and other charges you, Supplier and RobotLAB Financial Services agree will be invoiced by RobotLAB Financial Services. "Maintenance Agreement" means a separate agreement between you and Supplier for maintenance and support purposes. "Origination Fee" means a one-time fee of \$125 billed on your first invoice, which you agree to pay, covering origination, documentation, processing and other initial costs. "Term" means the Interim Period, if any, together with the Initial Term plus any subsequent renewal or extension terms. "UCC" means the Uniform Commercial Code of the State(s) where RobotLAB Financial Services must file UCC-1 financing statements to perfect its security interest in the Equipment.

2. Agreement, Payments and Late Payments. You agree and represent that the Equipment was selected, configured and negotiated by you based on your judgment and supplied by Supplier. At your request, RobotLAB Financial Services will acquire same from Supplier to lease to you hereunder and you agree to lease same from RobotLAB Financial Services. The Initial Term commences on the Commencement Date. You agree to pay RobotLAB Financial Services the first Payment plus any applicable Interim Payment no later than 30 days after the Commencement Date; each subsequent Payment shall be payable on the same date of each month thereafter. You agree to pay us all sums due under each invoice via Automated Clearing House (ACH) debit, or direct debit from your credit card account by the due date. If any Payment is not paid in full within 5 days after its due date, you will pay a late charge of the greater of 10% of the amount due, not to exceed the maximum amount permitted by law. For each dishonored or returned Payment, you will be assessed the applicable fee of \$135, plus the late charge fee. Restrictive covenants on any method of payment will be ineffective. Inability to collect your past due fees may result in deactivation of the robots and the services.

3. Equipment and Software. To the extent that Equipment includes intangible property or associated services such as software licenses, such intangible property shall be referred to as "Software." You acknowledge and agree that RobotLAB Financial Services is not the licensor of such Software, and therefore has no right, title or interest in it, and you will comply throughout the Term with any license and/or other agreement ("Software License") with the supplier of the Software ("Software Supplier"). You are responsible for determining with the Supplier whether any Software Licenses are required, and entering into them with Software Supplier(s) no later than 30 days after the Acceptance Date. YOU AGREE THE EQUIPMENT IS FOR YOUR LAWFUL BUSINESS USE IN THE UNITED STATES, WILL NOT BE USED FOR PERSONAL, HOUSEHOLD OR FAMILY PURPOSES, AND IS NOT BEING ACQUIRED FOR RESALE. You will not attach the Equipment as a fixture to real estate or make any permanent alterations to it.

4. Non-Cancellable Agreement. THIS AGREEMENT, PAST THE TRIAL PERIOD, CANNOT BE CANCELLED OR TERMINATED BY YOU PRIOR TO THE END OF THE INITIAL TERM. YOUR OBLIGATION TO MAKE AU PAYMENTS IS ABSOLUTE AND UNCONDITIONAL AND NOT SUBJECT TO DELAY, REDUCTION, SET-OFF, DEFENSE, COUNTERCLAIM OR RECOUPMENT FOR ANY REASON WHATSOEVER, IRRESPECTIVE OF THE PERFORMANCE OF THE EQUIPMENT, SUPPLIER, ANY THIRD PARTY OR RobotLAB Financial Services. Any pursued claim by you against RobotLAB Financial Services for alleged breach of our obligations hereunder shall be asserted solely in a separate action; provided, however, that your obligations hereunder shall continue unabated.

5. End of Agreement Options. If a \$1 Purchase Option is designated, you will be deemed to have exercised your option to purchase the Equipment as of the Acceptance Date. If an FMV (Fair Market Value) purchase option is designated, if you are not in default and if you provide no greater than 150 days and no less than 60 days' prior written notice to RobotLAB Financial Services, you may, at the end of the Initial Term or any renewal term ("End Date"), either (a) purchase all, but not less than all, of the Equipment by paying its fair market value, as determined by RobotLAB Financial Services in its sole but reasonable discretion ("Determined FMV"), plus Taxes, or (b) return the Equipment within 30 days of the End Date, at your expense, fully insured, to a continental US location RobotLAB Financial Services shall specify. You cannot return Equipment more than 30 days prior to the End Date without our consent. If we consent, we may charge you, in addition to all undiscounted amounts due hereunder, an early termination fee. If you have not elected one of the above options, this Agreement shall renew for successive 3-month terms. Either party may terminate the Agreement as of the end of any 3-month renewal term on 30 days' prior written notice and by taking one of the actions identified in

(a) or (b) in the preceding sentence of this section. Any FMV purchase option shall be exercised with respect to each item of Equipment on the day immediately following the date of expiration of the Term of such item, and by the delivery at such time by you to RobotLAB Financial Services of payment, in acceptable to RobotLAB Financial Services, of the amount of the applicable purchase price. Upon payment of the applicable amount, RobotLAB Financial Services shall transfer our interest in the Equipment to you on an "AS IS, WHERE IS, WITH ALL FAULTS" basis, without representation or warranty of any kind.

6. Equipment Delivery and Maintenance. You should arrange with Supplier to have the Equipment delivered to you at the location(s) specified herein, and you agree to execute a Delivery & Acceptance Certificate at RobotLAB Financial Services' request (and confirm same via email) confirming when you have received, inspected and irrevocably accepted the Equipment, and authorize RobotLAB Financial Services to fund the Supplier for the Equipment. If you fail to accept the Equipment, you shall no longer have any obligations hereunder; however, you remain liable for any Equipment purchase order or other contract issued on your behalf directly with Supplier. EQUIPMENT MAY NOT BE MOVED TO ANOTHER PHYSICAL ADDRESS WITHOUT RobotLAB Financial Service' PRIOR WRITTEN CONSENT, WHICH SHALL NOT BE UNREASONABLY WITHHELD OR DELAYED. You agree that you will not take the Equipment out of service during the Term. You shall permit RobotLAB Financial Services or its agent to inspect Equipment and any maintenance records relating thereto during your normal business hours upon reasonable notice. You represent you have entered into a Maintenance Agreement to maintain the Equipment in good working order in accordance with the manufacturer's maintenance guidelines and to provide you with Equipment supplies. You acknowledge that RobotLAB Financial Services is acting solely as an administrator for Supplier with respect to the billing and collecting of the charges under any Maintenance Agreement. RobotLAB Financial Services IS NOT LIABLE FOR ANY BREACH BY SUPPLIER OF ANY OF ITS OBLIGATIONS TO YOU. NOR WILL ANY OF YOUR OBLIGATIONS.

7. Equipment Ownership, Labeling and UCC Filing. If and to the extent a court deems this Agreement to be a security agreement under the UCC, and otherwise for precautionary purposes only, you grant RobotLAB Financial Services a first priority security interest in your interest in the Equipment as defined above in order to secure your performance hereunder. Unless a \$1 Purchase Option is applicable, RobotLAB Financial Services is and shall remain the sole owner of the Equipment, except the Software. You authorize RobotLAB Financial Services to file a UCC financing statement to show, and to do all other acts to protect, our interest in the Equipment. You agree to pay any filing fees and administrative costs for the filing of such financing statements. You agree to keep the Equipment free from any liens or encumbrances and to promptly notify RobotLAB Financial Services if there is any change in your organization such that a refiling or amendment to RobotLAB Financial Services' financing statement against you becomes necessary.

8. Equipment Return. If the Equipment is returned to RobotLAB Financial Services, it shall be in the same condition as when delivered to you, except for "ordinary wear and tear" and, if not in such condition, you will be liable for all expenses RobotLAB Financial Services incurs to return the Equipment to such condition. IT IS SOLELY YOUR RESPONSIBILITY TO SECURE ANY SENSITIVE DATA AND PERMANENTLY DELETE SUCH DATA FROM THE INTERNAL STORAGE PRIOR TO RETURNING THE EQUIPMENT TO RobotLAB Financial Services. YOU SHALL HOLD RobotLAB Financial Services HARMLESS FROM YOUR FAILURE TO SECURE AND PERMANENTLY DELETE ALL SUCH CUSTOMER DATA AS PER THIS SECTION.

9. Assignment. YOU MAY NOT ASSIGN, SELL, PLEDGE, TRANSFER, SUBLEASE OR PART WITH POSSESSION OF THE EQUIPMENT, THIS AGREEMENT OR ANY OF YOUR RIGHTS OR OBLIGATIONS UNDER THIS AGREEMENT (COLLECTIVELY "ASSIGNMENT") WITHOUT RobotLAB Financial Services' PRIOR WRITTEN CONSENT, WHICH SHALL NOT BE UNREASONABLY WITHHELD, BUT SUBJECT TO THE SOLE EXERCISE OF RobotLAB Financial Services' REASONABLE CREDIT DISCRETION AND EXECUTION OF ANY NECESSARY ASSIGNMENT DOCUMENTATION. If RobotLAB Financial Services agrees to an Assignment, you agree to pay the applicable assignment fee and reimburse RobotLAB Financial Services for any costs we incur in connection with that Assignment, which in the aggregate shall not exceed \$500. RobotLAB Financial Services may sell, assign or transfer all or any part of the Equipment, this Agreement and/or any of our rights (but none of our obligations except for invoicing and tax administration) hereunder. RobotLAB Financial Services' assignee will have the same rights that we have to the extent assigned. YOU AGREE NOT TO ASSERT AGAINST SUCH ASSIGNEE ANY CLAIMS, DEFENSES, COUNTERCLAIMS, RECOUPMENTS, OR SET-OFFS THAT YOU MAY HAVE AGAINST RobotLAB Financial Services, and you agree to remit Payments to such Assignee if so designated. RobotLAB Financial Services agrees and acknowledges that any Assignment by us will not materially change your obligations hereunder.

10. Taxes. You will be responsible for, indemnify and hold RobotLAB Financial Services harmless from, all applicable taxes, fees or charges (including sales, use, personal property and transfer taxes (other than net income taxes), plus interest and penalties) assessed by any governmental entity on you, the Equipment, this Agreement, or the amounts payable hereunder (collectively, "Taxes"), which will be included in RobotLAB Financial Services' invoices to you unless you timely provide continuing proof of your tax exempt status. Regardless of your tax-exempt status, RobotLAB Financial Services reserves the right to pass through, and you agree to pay, any such Taxes that are actually assessed by the applicable State on RobotLAB Financial Services as lessor of the Equipment. For jurisdictions where certain taxes are calculated and paid at the time of agreement initiation, you authorize RobotLAB Financial Services to finance and adjust your Payment to include such Taxes over the Term. Unless and until RobotLAB Financial Services notifies you in writing to the contrary, the following shall apply to personal property taxes and returns. If an FMV purchase option is applicable, RobotLAB Financial Services will file all personal property tax returns covering the Equipment, pay the personal property taxes levied or assessed thereon, and collect from your account all personal property taxes on the Equipment. If a \$1 purchase option is applicable, you will file all personal property tax returns covering the Equipment, pay the personal property taxes levied or assessed thereon, and provide us proof thereof upon our request. RobotLAB Financial Services MAKES NO WARRANTY, EXPRESS OR IMPLIED, REGARDING THE TAX OR ACCOUNTING TREATMENT OF THIS AGREEMENT.

11. Equipment Warranty information and Disclaimers. RobotLAB Financial Services HAS NO INVOLVEMENT IN THE DESIGN, MANUFACTURE, SALE, DELIVERY, INSTALLATION, USE OR MAINTENANCE OF THE EQUIPMENT. THEREFORE, RobotLAB Financial Services DISCLAIMS, AND YOU WAIVE SOLELY AGAINST RobotLAB Financial Services, ALL EQUIPMENT WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY, NON-INFRINGEMENT AND FITNESS FOR PARTICULAR PURPOSE, AND RobotLAB Financial Services MAKES NO REPRESENTATIONS WHATSOEVER, INCLUDING, BUT NOT LIMITED TO, THE EQUIPMENT'S SUITABILITY, FUNCTIONALITY, DURABILITY OR CONDITION. Since you have selected the Equipment and Supplier, you acknowledge that you are aware of the name of the manufacturer of each

Item of Equipment, Supplier's contact information, and agree that you will contact manufacturer and/or Supplier for a description of any warranty rights you may have under the Equipment supply contract, sales order, or otherwise. Provided you are not in default hereunder, RobotLAB Financial Services hereby assigns to you any Equipment warranty rights we may have against Supplier or manufacturer. If the Equipment is returned to RobotLAB Financial Services or you are in default, such rights are deemed reassigned by you to RobotLAB Financial Services. IF THE EQUIPMENT IS NOT PROPERLY INSTALLED, DOES NOT OPERATE AS WARRANTED, BECOMES OBSOLETE, OR IS UNSATISFACTORY FOR ANY REASON WHATSOEVER, YOU SHALL MAKE ALL RELATED CLAIMS SOLELY AGAINST MANUFACTURER OR SUPPLIER AND NOT AGAINST RobotLAB Financial Services, AND YOU SHALL NEVERTHELESS CONTINUE TO PAY ALL PAYMENTS AND OTHER SUMS PAYABLE UNDER THIS AGREEMENT.

12. Liability and Indemnification. RobotLAB Financial Services IS NOT RESPONSIBLE FOR ANY LOSSES, DAMAGES, EXPENSES OR INJURIES OF ANY KIND OR TYPE, INCLUDING, BUT NOT LIMITED TO, ANY SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES (COLLECTIVELY, "CLAIMS") TO YOU OR ANY THIRD PARTY CAUSED BY THE EQUIPMENT OR ITS USE. You assume the risk of liability for, and hereby agree

to indemnify and hold safe and harmless, and covenant to defend, RobotLAB Financial Services, its employees, officers and agents from and against: (a) any and all Claims (including legal expenses of every kind and nature) arising out of the acceptance or rejection, ownership, leasing, possession, operation, use, return or other disposition of the Equipment; and (b) any and all loss or damage of or to the Equipment. Neither sentence in this Section shall apply to Claims arising directly and proximately from RobotLAB Financial Services' gross negligence or willful misconduct.

13. Default and Remedies. You will be in default hereunder if RobotLAB Financial Services does not receive any Payment within 10 days after its due date, or you breach any other material obligation hereunder or any other agreement with RobotLAB Financial Services. If you default, and such default continues for 10 days after RobotLAB Financial Services provides notice to you, RobotLAB Financial Services may, in addition to other remedies (including disabling or repossessing the Equipment and/or requesting Supplier to cease performing under the Maintenance Agreement), immediately require you to do one or more of the following: (a) as liquidated damages for loss of bargain and not as a penalty, pay the sum of (i) all amounts then past due, plus interest from the due date until paid at the rate of 1.5% per month; (ii) the Payments remaining in the Term (including the fixed maintenance component thereof, if permitted under the Maintenance Agreement), discounted at the Discount Rate to the date of default, (iii) the Equipment's booked residual, and (iv) Taxes; and (b)

14.

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DocuSign Envelope ID: 03EB35FD-143C-41BB-8F33-28A5DED438B9

RobotLAB Financial Services LLC
3120 Sabre Dr.
Southlake, TX 76092



require you to return the Equipment as provided in Sections 5 and 8 hereof. You agree to pay all reasonable costs, including attorneys' fees and disbursements, incurred by RobotLAB Financial Services to enforce this Agreement.

15. Risk of Loss and Insurance. You assume and agree to bear the entire risk of loss, theft, destruction or other impairment of the Equipment upon delivery. You, at your own expense, (i) shall keep Equipment insured against loss or damage at a minimum of full replacement value thereof, and (ii) shall carry liability insurance against bodily injury, including death, and against property damage in the amount of at least \$2 million (collectively, "Required Insurance"). All such Equipment loss/damage insurance shall be with lender's loss payable to "RobotLAB Financial Services, its successors and/or assigns, as their interests may appear," and shall be with companies reasonably acceptable to RobotLAB Financial Services. RobotLAB Financial Services shall be named as an additional Insured on all liability insurance policies. The Required Insurance shall provide for 30 days' prior notice to RobotLAB Financial Services of cancellation.

YOU MUST PROVIDE RobotLAB Financial Services OR OUR DESIGNEES WITH SATISFACTORY WRITTEN EVIDENCE OF REQUIRED INSURANCE WITHIN 30 DAYS OF THE ACCEPTANCE DATE AND ANY SUBSEQUENT WRITTEN REQUEST BY RobotLAB Financial Services OR OUR DESIGNEES. IF YOU DO NOT DO SO, THEN IN LIEU OF OTHER REMEDIES FOR DEFAULT, RobotLAB Financial Services IN OUR DISCRETION AND AT OUR SOLE OPTION MAY (BUT IS NOT REQUIRED TO) OBTAIN INSURANCE FROM AN INSURER OF RobotLAB Financial Services' CHOOSING, WHICH MAY BE AN ROBOTLAB FINANCIAL SERVICES AFFILIATE, IN SUCH FORMS AND AMOUNTS AS ROBOTLAB FINANCIAL SERVICES DEEMS REASONABLE TO PROTECT ROBOTLAB FINANCIAL SERVICES' INTERESTS (COLLECTIVELY "EQUIPMENT INSURANCE"). EQUIPMENT INSURANCE WILL COVER THE EQUIPMENT AND ROBOTLAB FINANCIAL SERVICES; IT WILL NOT NAME YOU AS AN INSURED AND MAY NOT COVER ALL OF YOUR INTEREST IN THE EQUIPMENT AND WILL BE SUBJECT TO CANCELLATION AT ANY TIME. YOU AGREE TO PAY ROBOTLAB FINANCIAL SERVICES PERIODIC CHARGES FOR EQUIPMENT INSURANCE (COLLECTIVELY "INSURANCE CHARGES") THAT INCLUDE: AN INSURANCE PREMIUM THAT MAY BE HIGHER THAN IF YOU MAINTAINED THE REQUIRED INSURANCE SEPARATELY; A FINANCE CHARGE OF UP TO 1.5% PER MONTH ON ANY ADVANCES MADE BY ROBOTLAB FINANCIAL SERVICES OR OUR AGENTS; AND COMMISSIONS, BILLING AND PROCESSING FEES; ANY OR ALL OF WHICH MAY GENERATE A PROFIT TO ROBOTLAB FINANCIAL SERVICES OR OUR AGENTS. ROBOTLAB FINANCIAL SERVICES MAY ADD INSURANCE CHARGES TO EACH PAYMENT. ROBOTLAB FINANCIAL SERVICES SHALL DISCONTINUE BILLING OR DEBITING INSURANCE CHARGES FOR EQUIPMENT INSURANCE UPON RECEIPT AND REVIEW OF SATISFACTORY EVIDENCE OF REQUIRED INSURANCE.

You must promptly notify RobotLAB Financial Services of any loss or damage to Equipment which makes any item of Equipment unfit for continued or repairable use. You hereby irrevocably appoint RobotLAB Financial Services as your attorney-in-fact to execute and endorse all checks or drafts in your name to collect under any such Required Insurance. Insurance proceeds from Required Insurance or Equipment Insurance received shall be applied, at RobotLAB Financial Services' option, to (a) restore the Equipment so that it is in the same condition as when delivered to you (normal wear and tear excepted), or (b) if the Equipment is not restorable, to replace it with like-kind condition Equipment from the same manufacturer, or (c) pay to RobotLAB Financial Services the greater of (i) the total unpaid Payments for the entire Term hereof plus, if an FMV purchase option is designated on the first page hereof, RobotLAB Financial Services' residual interest in such Equipment (herein agreed to be 20% of the Equipment's original cost to RobotLAB Financial Services) plus any other amounts due to RobotLAB Financial Services hereunder, or (ii) the Determined FMV immediately prior to the loss or damage. NO LOSS OR DAMAGE TO EQUIPMENT, OR ROBOTLAB FINANCIAL SERVICES' RECEIPT AND APPLICATION OF INSURANCE PROCEEDS, SHALL RELIEVE YOU OF ANY OF YOUR REMAINING OBLIGATIONS UNDER THIS AGREEMENT. Notwithstanding procurement of Equipment Insurance or Required Insurance, you remain primarily liable for performance under this Section in the event the applicable insurance carrier fails or refuses to pay any claim. YOU AGREE (I) AT ROBOTLAB FINANCIAL SERVICES' SOLE ELECTION TO ARBITRATE ANY DISPUTE WITH ROBOTLAB FINANCIAL SERVICES, OUR AGENTS OR ASSIGNS REGARDING THE EQUIPMENT INSURANCE UNDER THE RULES OF THE AMERICAN ARBITRATION ASSOCIATION IN DALLAS COUNTY, TX, (II) THAT IF ROBOTLAB FINANCIAL SERVICES MAKES THE FOREGOING ELECTION ARBITRATION (NOT A COURT) SHALL BE THE EXCLUSIVE REMEDY FOR SUCH DISPUTES; AND (III) THAT CLASS ARBITRATION IS NOT PERMITTED. This arbitration option does not apply to any other provision of this Agreement.

16. Finance Lease and Customer Waivers. The parties agree this Agreement shall be construed as a "finance lease" under UCC Article 2A. Customer waives its rights as a lessee under UCC 2A sections 508-522.

17. Authorization of Signer and Credit Review. You represent that you may lawfully enter into, and perform, this Agreement, that the individual signing this Agreement on your behalf has all necessary authority to do so, and that all financial information you provide accurately represents your financial condition. You agree to furnish financial information that RobotLAB Financial Services may request now, including your Federal Tax ID, and you authorize RobotLAB Financial Services to obtain credit reports on you in the future should you default or fail to make prompt payments hereunder.

18. Original and Sole Controlling Document. No Modifications Unless In Writing. This Agreement constitutes the entire agreement between the Parties as to the subjects addressed herein, and representations not included herein are not part of this Agreement and are not binding on the Parties. You agree that an executed copy of this Agreement that is signed by your authorized representative and by RobotLAB Financial Services' authorized representative (an original manual signature or such signature reproduced by means of a reliable electronic form, such as electronic transmission of a facsimile or electronic signature) shall be marked "original" by RobotLAB Financial Services and shall constitute the only original document for all purposes. To the extent this Agreement constitutes UCC chattel paper, no security interest in this Agreement may be created except by the possession or transfer of the copy marked "original" by RobotLAB Financial Services. IF A PURCHASE ORDER OR OTHER DOCUMENT IS ISSUED BY YOU, NONE OF ITS TERMS AND CONDITIONS SHALL BE BINDING ON ROBOTLAB FINANCIAL SERVICES, AS THE TERMS AND CONDITIONS OF THIS AGREEMENT EXCLUSIVELY GOVERN THE TRANSACTION DOCUMENTED HEREIN. SUPPLIER AND ITS REPRESENTATIVES ARE NOT OUR AGENTS AND ARE NOT AUTHORIZED TO MODIFY OR NEGOTIATE THE TERMS OF THIS AGREEMENT. THIS AGREEMENT MAY NOT BE AMENDED OR SUPPLEMENTED EXCEPT IN A WRITTEN AGREEMENT SIGNED BY AUTHORIZED REPRESENTATIVES OF THE PARTIES AND NO PROVISIONS CAN BE WAIVED EXCEPT IN A WRITING SIGNED BY ROBOTLAB FINANCIAL SERVICES. You authorize RobotLAB Financial Services to insert or correct missing information on this Agreement, including but not limited to your proper legal name, agreement/numbers, serial numbers and other Equipment information, so long as there is no material impact to your financial obligations.

19. Governing Law, Jurisdiction, Venue and JURY TRIAL WAIVER. THIS AGREEMENT IS GOVERNED BY, AND SHALL BE CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF TEXAS. THE JURISDICTION AND VENUE OF ANY ACTION TO ENFORCE THIS AGREEMENT, OR OTHERWISE RELATING TO THIS AGREEMENT, SHALL BE IN A FEDERAL OR STATE COURT IN DENTON COUNTY, TEXAS OR, EXCLUSIVELY AT ROBOTLAB FINANCIAL SERVICES' OPTION, IN ANY OTHER FEDERAL OR STATE COURT WHERE THE EQUIPMENT IS LOCATED OR WHERE ROBOTLAB FINANCIAL SERVICES' OR YOUR PRINCIPAL PLACES OF BUSINESS ARE LOCATED, AND YOU HEREBY WAIVE ANY RIGHT TO TRANSFER VENUE. THE PARTIES HEREBY WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY ACTION RELATED TO OR ARISING OUT OF THIS AGREEMENT.

20. Miscellaneous. Your obligations under the "Taxes" and "Liability" Sections commence upon execution, and survive the expiration or earlier termination, of this Agreement. Notices hereunder must be in writing. Notices to you will be sent to the "Billing Address" provided on the first page hereof, and notices to RobotLAB Financial Services shall be sent to our address provided on the first page hereof. Notices will be deemed given 5 days after mailing by first class mail or 2 days after sending by nationally recognized overnight courier. Invoices are not considered notices and are not governed by the no ice terms hereof. You authorize RobotLAB Financial Services to communicate with you by any electronic means (including cellular phone, email, automatic dialing and recorded messages) using any phone number (including cellular) or electronic address you provide to us. If a court finds any term of this Agreement unenforceable, the remaining terms will remain in effect. The failure by either Party to exercise any right or remedy will not constitute a waiver of such right or remedy. If more than one party has signed this Agreement as Cosigner, each such party agrees that its liability is joint and several. The following four sentences control over every other part of this Agreement: Both Parties will comply with applicable laws. RobotLAB Financial Services will not charge or collect any amounts in excess of those allowed by applicable law. Any part of this Agreement that would, but for the last four sentences of this Section, be read under any circumstances to allow for a charge higher than that allowed under any applicable legal limit, is modified by this Section to limit the amounts chargeable hereunder to the maximum amount allowed under the legal limit. If, in any

circumstances, any amount in excess of that allowed by law is charged or received, any such charge will be deemed limited by the amount legally allowed and any amount received by RobotLAB Financial Services in excess of that legally allowed will be applied by us to the payment of amounts legally owed hereunder or refunded to you.

21.

~~DocuSign Envelope ID: 095B885D918C4D1B8263229A55FAD63899~~

RobotLAB Financial Services LLC
3120 Sabre Dr.
Southlake, TX 76092



SERVICE AGREEMENT

Supplier Name & Address: RobotLAB Inc. 75 Broadway St. STE 202, San Francisco, CA 94111				Agreement Number:	
EQUIPMENT LOCATION					
Full Legal Name:				Contact Phone:	
Shipping Address:				Contact Name:	
				Contact Email:	
City:		State:		Zip:	EIN # (Required)
EQUIPMENT					
Make, Model and Description			Serial Number	Install Date	Comments
ACCEPTANCE					
Authorized Signer Name					Title
Signature					Date

1. This required Service Agreement Terms and Conditions ("Agreement") is attached to and made a part of the Service Agreement between Customer and ROBOTLAB INC. This Agreement covers required maintenance and all consumables ("Supplies") provided by ROBOTLAB INC necessitated by normal use by the Customer, as listed on page one, of Newly Acquired Machines from ROBOTLAB INC as listed on Schedule A, and Pre-Existing Customer Machines. Damage to the Equipment or its parts caused by misuse, abuse, or negligence beyond ROBOTLAB INC's control are not covered. ROBOTLAB INC reserves the right to replace the Equipment rather than repair it, at no cost to the Customer, if it is determined by ROBOTLAB INC service personnel that it is more cost effective. In the event Equipment cannot be repaired by ROBOTLAB INC due to age, excessive usage, chronic failure, parts unavailability or other reasons outside of ROBOTLAB INC's control, Customer has the option of replacing it by purchasing new Equipment, or a mutually agreed upon refurbished piece of Equipment, or rebalancing its fleet. ROBOTLAB INC may terminate this Agreement in the event: preexisting Customer Equipment is not in good working order as of the Start date of the Agreement, or any Equipment is: modified, altered, serviced by personnel other than those authorized by ROBOTLAB INC, damaged in a move, given supply items other than those provided by ROBOTLAB INC that, in ROBOTLAB INC's judgment, increase the cost of basic service, and in all such cases Customer agrees to pay ROBOTLAB INC for ROBOTLAB INC Supplies installed in Customer's Equipment that will be left with Customer at contract termination. Parts required for repair may be recovered or reprocessed, and replaced parts will become the property of ROBOTLAB INC at its option. The Customer's Equipment installation site must, at all times, conform to manufacturers recommended space, electrical, and environmental requirements. Customer will provide, at no charge to ROBOTLAB INC, access to the Equipment. When customer initiates the request for repair, if access is denied for greater than fifteen minutes, then Customer will pay a separate labor charge. ROBOTLAB INC Onsite service hours are from 8:00am to 5:00pm Monday through Friday excluding ROBOTLAB INC Holidays.

2. Except as otherwise expressly indicated herein, this Agreement is non-cancellable and will commence on the Start Date and remain in effect throughout the term as stated on the signature page. Upon expiration, this Agreement will automatically renew on a month to month basis (each a "Renewal Term") unless either party provides the other with written notice of its intent not to renew this Agreement at least 30 days before the end of the Term. If a party is in material breach of its obligations under this Agreement and fails to cure such breach within thirty (30) days from the date it receives written notice from the non-breaching party which sets forth in reasonable detail the nature of the breach, then the non-breaching party shall have the option to terminate this Agreement immediately by written notice. ROBOTLAB INC reserves the right to cancel this agreement, at any time, and without cause. Any charges during the Renewal Terms will be billed in the same manner as set forth herein. The Base Rate will be billed in advance of the time period covered. The Overage Rate will be billed at the end of the time period covered. Unused allowances expire at the end of the applicable billing period and are not carried over to future periods. Customer agrees to remit payment for ROBOTLAB INC invoices within thirty (30) days of invoice date. Any invoice(s) open and undisputed shall be assessed a late fee, not to exceed 10% of Total Invoice. All taxes resulting from this Agreement are the responsibility of the Customer. Shipping charges for replacements will be billed per order. If Customer fails to timely pay invoices when due, ROBOTLAB INC, at its sole discretion, may (1) refuse to provide service and/or Supplies until past invoices are paid in full, (2) furnish all future service and Supplies on a C.O.D. "Per Call" basis at ROBOTLAB INC's rates and/or (3) accelerate all remaining amounts due hereunder and terminate this Agreement. ROBOTLAB INC may increase either or both the monthly Base Rate or the Overage Rate on an annual basis. ROBOTLAB INC shall be entitled to and Customer shall pay all expenses, including attorneys' fees incurred by ROBOTLAB INC in any collection efforts of any amounts due hereunder. If Customer requires any specialized procedure or invoicing, Company reserves the right to bill an administrative fee not to exceed \$100 per invoice.

3. Customer is required to notify ROBOTLAB INC within one week upon installation of any additional Equipment at Customer's site capable of using ROBOTLAB INC Supplies provided by ROBOTLAB INC under this Agreement. Upon installation of said Equipment, such Equipment shall automatically be covered by this Agreement and shall be considered the Equipment for all purposes under this Agreement. For Equipment Adds or Remove, Customer must contact support@RobotLAB.com and get a written confirmation for such change. The Equipment Serial Number and Installation Date must be clearly indicated or written on the request for change. If Customer is unable to provide serial numbers or other required information in a reasonable amount of time, ROBOTLAB INC will, at its sole discretion, convert the Equipment to ROBOTLAB INC's current flat rate monthly pricing program. Customer agrees to pay the monthly flat rate pricing charges until a current detailed report is provided and customer requests to change the equipment pricing program to a correct cost program. ROBOTLAB INC reserves the right to refuse Service and Supplies on certain devices and can elect to refuse to flat rate devices based on age of the Equipment. Under this agreement, ROBOTLAB INC will perform one mapping service, per serial number, per location. Shall Customer request to re-map or relocate the robot to another facility, a one time fee of \$2,500 will be assessed in order for an engineer to go on site and map the new location. Replacement robots will come pre-loaded with the map as created initially.

4. REMOTE PERFORMANCE COLLECTION. Customer agrees to connect Equipment to a stable, property-wide, high-speed and internet-enabled network, which will allow the Equipment to download the digital navigation maps from the cloud and allow ROBOTLAB INC to collect performance reads and monitor consumables levels to detect the need to ship refills on a timely basis. Customer agrees to provide ROBOTLAB INC reasonable assistance as required to maximize the network access and bandwidth allocation. The provided network must be separated from the guest network, and must be password protected. If such network does not exist where Equipment is installed, RobotLAB will provide a cellular-network enabled router, and will bill Customer for \$75 for equipment and network access.

5. TAXES. Payments are exclusive of all state and local sales, use, excise, privilege and similar taxes. You will pay when due, either directly or to us upon demand, all taxes, fines and penalties relating to this Agreement that are now or in the future assessed or levied.

6. DIAGNOSTIC SOFTWARE. Software used to evaluate or maintain the Equipment ("Diagnostic Software") is included with the Equipment. Diagnostic Software is a valuable trade secret of Company, or its Licensors. Title to Diagnostic Software will remain with Company or its licensors. Company does not grant Customer any right to use Diagnostic

Software, and Customer will not access, use, reproduce, distribute or disclose Diagnostic Software for any purpose (or allow third parties to do so). Customer will allow Company reasonable access to the Equipment to remove or disable Diagnostic Software if Customer is no longer receiving Service from Company, provided that any on-site access to Customer's facility will be during Customer's standard business hours.

7. SUPPLIES. Supplies provided under this Agreement shall remain the property of ROBOTLAB INC provided however, Customer may use any Supplies delivered to the Customer's Site under this Agreement in the Equipment on an as-needed basis, and the ownership rights to the Supplies shall transfer from ROBOTLAB INC to Customer upon Customer's full payment for such Supplies. Customer agrees the Supplies in this Agreement are provided based on the industry standard 5 hours/day usage. Higher usage that requires more supplies, will result in excessive usage fee at the rates prevail when such usage occurs. Customer agrees that ROBOTLAB INC may periodically pick up any Supplies at the Customer's Site that ROBOTLAB INC deems is over normal stocking quantity. Customer shall promptly return to ROBOTLAB INC all Supplies not installed in Equipment at the termination or expiration of this Agreement or pay for any Supplies not returned within five (5) business days.

8. SOFTWARE LICENSE. Company grants (and is hereby authorized by its licensor's to grant) you a nonexclusive, non-transferable license to use in the U.S.: (a) software and accompanying documentation ("Base Software") only with the Equipment with which it was delivered; and (b) Software that is set forth as a separate line item in this Agreement ("Application Software") (including its accompanying documentation), as applicable, for as long as you are current in the payment of all applicable software license fees. "Base Software" and "Application Software" are collectively referred to as "Licensed Software". You have no other rights and may not: (1) distribute, copy, modify, create derivatives of, decompile, or reverse engineer Licensed Software; (2) activate Licensed Software delivered with the Equipment in an inactivated state; or (3) allow others to engage in same. Title to, and all intellectual property rights in, Licensed Software will reside solely with Company and/or its licensors (who will be considered third-party beneficiaries of this Section). Licensed Software may contain code capable of automatically disabling the Equipment. Disabling code may be activated if: (x) Company is denied access to periodically reset such code; (y) you are notified of a default under this Agreement;

RobotLAB Financial Services LLC



9. _____

3120 Sabre Dr.
Southlake, TX 76092

or (z) your license is terminated or expires. The ease Software license will terminate: (i) if you no longer use or possess the Equipment; or (ii) upon the expiration or termination of this Agreement, unless you have exercised your option to purchase the Equipment. Neither Company nor its licensors warrant that Licensed Software will be free from errors or that its operation will be uninterrupted. The foregoing terms do not apply to Diagnostic Software or to Licensed Software/documentation accompanied by a clickwrap or shrink-wrap license agreement or otherwise made subject to a separate license agreement.

10. SOFTWARE SUPPORT. Except for Products and/or Third-Party Products identified as "No Svc.", Company (or a designated servicer) will provide the software support set forth below or in accordance with an attached statement of work ("Software Support"). For Base Software for Equipment, Software Support will be provided during the Initial Term and any renewal period but in no event longer than 5 years after Company stops taking customer orders for the subject model of Equipment. For Application Software, Software Support will be provided as long as you are current in the payment of all applicable software license and support fees. Company will maintain a web-based or toll-free hotline during Company's standard working hours to report Licensed Software problems and answer Licensed Software-related questions. Company, either directly or with its vendors, will make reasonable efforts to: (a) assure that Licensed Software performs in material conformity with its user documentation; (b) provide available workarounds or patches to resolve Licensed Software performance problems; and (c) resolve coding errors for (i) the current Release and (ii) the previous Release for a period of 6 months after the current Release is made available to you. Company will not be required to provide Software Support if you have modified the Licensed Software. New releases of Licensed Software that primarily incorporate compliance updates and coding error fixes are designated as "Maintenance Releases" or "Updates". Maintenance Releases or Updates that Company may make available will be provided at no charge and must be implemented within six months. New releases of Licensed Software that include new content or functionality ("Feature Releases") will be subject to additional license fees at then-current pricing. Maintenance Releases, Updates and Feature Releases are collectively referred to as "Releases". Each Release will be considered Licensed Software governed by the Software License and Licensed Software Support provisions of this Agreement (unless otherwise noted). Implementation of a Release may require you to procure, at your expense, additional hardware and/or software from Company or another entity. Upon Installation of a Release, you will return or destroy all prior Releases. For Third Party Software identified as "No Svc.", you shall enter into a support agreement with a Third-Party Software vendor or its support services provider, who shall be solely responsible for the quality, timeliness and other terms and conditions of such support services. Company shall have no liability for the acts or omissions of such third-party support services provider.

11. WARRANTY: You acknowledge that the Equipment covered by this Agreement was selected by You based upon Your own judgment. COMPANY MAKES NO REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, ORAL OR WRITTEN, INCLUDING, WITHOUT LIMITATION, IMPLIED WARRANTIES OF NON-INFRINGEMENT; IMPLIED WARRANTIES OF MERCHANTABILITY; OR FITNESS FOR A PARTICULAR PURPOSE, ALL OF WHICH ARE SPECIFICALLY AND UNRESERVEDLY EXCLUDED.

12. LIMITATION OF LIABILITY. In no event, shall Company be liable for any indirect, special, incidental, consequential damages, loss of profits, or punitive damages whether based in contract, tort, or any other legal theory and irrespective of whether Company has notice of the possibility of such damages.

13. DEFAULT; REMEDIES: Any of the following events or conditions shall constitute an Event of Default under this Agreement: (a) failure to make payment when due of any indebtedness to Company or for the Equipment, whether or not arising under this Agreement, without notice or demand by Company; (b) breach by You of any obligation herein; or (c) if You cease doing business as a going concern. If You default, Company may: (1) require future Services, including supplies, be paid for in advance, (2) require you to immediately pay the amount of the remaining unpaid balance of the Agreement, (3) terminate any and all agreements with You, and/or (4) pursue any other remedy permitted at law or in equity. In the Event of Default, remaining payment amounts due will be calculated using the average of the last six months' billing or the amount set forth on the face of the Agreement, whichever is greater, multiplied by the remaining months of the Agreement. You agree that any delay or failure of Company to enforce its rights under this Agreement does not prevent Company from enforcing any such right at a later time. All of Company's rights and remedies survive the termination of this Agreement. In the event of a dispute arising out of this agreement or the Equipment listed herein, should it prevail, Company shall be entitled to collect on of its reasonable costs and attorneys' fees incurred in defending or enforcing

14. ASSIGNMENT: You may not sell, transfer, or assign this Agreement without the prior written consent of Company. Company may sell, assign or transfer this Agreement.

15. NOTICES: All notices required or permitted under this Agreement shall be by overnight courier or by registered mail to such party at the address set forth in this Agreement, or at such other address as such party may designate in writing from time to time. Any notice from Company to You shall be effective three days after it has been deposited in the mail, duly

16. INDEMNIFICATION. You are responsible for and agree to Indemnify and hold Us harmless from, any and all (a) losses, damages, penalties, claims, suits and actions (collectively, "Claims"), whether based on a theory of contract, tort, strict liability of otherwise caused by or related to Your use or possession of the Equipment, and (b) all costs, and attorneys' fees incurred by Us relating to such claim.

17. FAX/ELECTRONIC EXECUTION. A faxed or electronically transmitted version of this Agreement may be considered the original and You will not have the right to challenge in court the authenticity or binding effect of any faxed or scanned copy or signature thereon. This Agreement may be signed in counterparts and all counterparts will be considered and constitute the same Agreement.

18. MISCELLANEOUS. (a) Choice of Law. This Agreement shall be governed by the laws of the state of Texas (without regard to the conflict of laws or principles of such states); (b) Jury Trial. YOU EXPRESSLY WAIVE TRIAL BY JURY AS TO ALL ISSUES ARISING OUT OF OR RELATED TO THIS AGREEMENT; (c) Entire Agreement. This Agreement constitutes the entire agreement between the parties with regards to the Services herein and supersedes all prior agreements, proposals or negotiations, whether oral or written regarding the Services set forth herein; (d) Enforceability. If any provision of this Agreement is unenforceable, illegal or Invalid, the remaining provisions will remain in full force and effect; (e) Amendments. This Agreement may not be amended or modified except by a writing signed by the parties; provided You agree that we are authorized, without notice to You, to supply missing information or correct obvious errors provided that such change does not materially alter Your obligations; (f) Force Majeure. Company shall not be responsible for delays or inability to provide Services caused directly or indirectly by strikes, accidents, climate conditions, parts availability, unsafe travel conditions, or other reasons beyond our control; (g) Company has the right to modify/correct any clerical errors.

19. _____

EXHIBIT K

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DocuSign Envelope ID: 03EB35FD-143C-41BB-8F33-28A5DED438B9

EXHIBIT J STATE

EFFECTIVE DATES

The following States require that the Franchise Disclosure Document be registered or filed with the State, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed or registered as of the Effective Date stated below:

State	Effective Date
California	August 9, 2024 Application Pending
Hawaii	July 22, 2024 Application Pending
Illinois	April 24, 2024 Application Pending
Indiana	April 25, 2024 Application Pending
Maryland	July 29, 2024 Application Pending
Michigan	May 15, 2024 Application Pending
Minnesota	June 24, 2024 Application Pending
New York	October 7, 2024 Application Pending
North Dakota	August 29, 2024 Application Pending
Rhode Island	May 7, 2024 Application Pending
South Dakota	May 16, 2024 Application Pending
Virginia	May 16, 2024 Application Pending
Washington	May 21, 2024 Application Pending
Wisconsin	April 25, 2024 Application Pending

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

RobotLAB Corp
FDD Exhibit **KJ**

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 RobotLAB 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. New York requires that you be given this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of any franchise or other agreement, or payment of any consideration that relates to the franchise relationship.

If RobotLAB 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, and any applicable state agency.

This franchise is being offered by the following seller(s) at the principal business address and phone number listed below (check all that have been involved in the sales process):

Elad Inbar - 950 East State Highway 114, Ste. 160, Southlake, TX 76092; 415-702-3033

Franchise Brokers, Consultants, or Franchise Development Company Representatives (if any):

Name:

Address:

Phone:

Issuance Date: April ~~19~~18, ~~2024~~ 2025

I received a Disclosure Document that included the following Exhibits:

- A. Financial Statements
- B. List of State Administrators and Agents for Service of Process
- C. List of Current and Former Franchisees
- D. Operations Manual Table of Contents
- E. Franchise Agreement with Attachments
- F. RESERVED
- G. Form of General Release
- H. Form of Confidentiality and Noncompete Agreement
- I. State Specific Addenda
- J. Form of Financing Agreement**
- K. State Effective Dates Receipts**

Signature:

Print Name:

Date Received:

PLEASE SIGN AND KEEP THIS COPY FOR YOUR RECORDS.

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 RobotLAB 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. New York requires that you be given this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of any franchise or other agreement, or payment of any consideration that relates to the franchise relationship.

If RobotLAB 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, and any applicable state agency.

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- H. Form of Confidentiality and Noncompete Agreement
- I. State Specific Addenda
- J. Form of Financing Agreement**
- K. State Effective Dates Receipts**

Signature:

Print Name:

Date Received:

RETURN THIS COPY TO US:

RobotLAB Franchising, LLC
c/o Elad Inbar
950 East State Hwy 114, Ste. 160, Southlake, TX 76092
elad@robotlab.com

Summary Report	
Title	compareDocs Comparison Results
Date & Time	4/24/2025 3:04:59 PM
Comparison Time	142.56 seconds
compareDocs version	v5.1.300.3

Sources	
Original Document	2024_RobotLAB_FDD Iss. 04.19.24_FCv7.pdf
Modified Document	2025_RobotLAB_FDD Iss. 04.18.25_FCv1.pdf

Comparison Statistics	
Insertions	874
Deletions	214
Changes	330
Moves	103
Font Changes	0
Paragraph Style Changes	0
Character Style Changes	0
TOTAL CHANGES	1521

Word Rendering Set Markup Options	
Name	Standard with color blue for redlining
<u>Insertions</u>	
Deletions	
<u>Moves / Moves</u>	
Font Changes	
Paragraph Style Changes	
Character Style Changes	
Inserted cells	
Deleted cells	
Merged cells	
Changed lines	Mark left border.

compareDocs Settings Used	Category	Option Selected
Open Comparison Report after saving	General	Always
Report Type	Word	Redline
Character Level	Word	False
Include Comments	Word	False
Include Field Codes	Word	True
Flatten Field Codes	Word	False
Include Footnotes / Endnotes	Word	True
Include Headers / Footers	Word	True
Image compare mode	Word	Insert/Delete
Include List Numbers	Word	True
Include Quotation Marks	Word	False
Show Moves	Word	True
Include Tables	Word	True
Include Text Boxes	Word	True
Show Reviewing Pane	Word	True
Summary Report	Word	End
Detail Report	Word	Separate (View Only)
Document View	Word	Print