

FRANCHISE DISCLOSURE DOCUMENT
FIRST CHOICE BUSINESS BROKERS, INC.
a Nevada Corporation
851 South Rampart Blvd., Suite 200
Las Vegas, Nevada 89145
Phone: (702) 368-2500 Website: www.fcbbi.com

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Phone: (702) 368-2500 Website:

The franchise offered is for the operation of First Choice Business Brokers unit franchise which offers business brokerage, valuations, consultation and various other services for business purchases, sales, resales and acquisitions under the name of First Choice Business Brokers. ~~You will operate a First Choice Business Brokers business that earns commissions as you list and sell businesses for sale. You will also earn commissions for the resales of existing franchises.~~

The total investment necessary to begin operation of ~~a FIRST CHOICE franchise before July 1, 2024 is between \$67,650 and \$97,600. This includes \$52,500 that must be paid to the franchisor or its affiliate(s). After July 1, 2024, the total investment necessary to begin operation of~~ a FIRST CHOICE franchise is between \$69,150 and ~~\$99,100~~\$98,100. This includes \$54,000 ~~to \$54,495~~ that must be paid to the franchisor or its affiliate(s).

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 at least 14 calendar days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no governmental agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact our corporate office at 851 South Rampart Blvd., Suite 200, Las Vegas, Nevada 89145 or via telephone at (702) 368-2500.

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

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

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

Issuance date: March ~~27~~28, ~~2024~~2025

How to Use This Franchise Disclosure Document

Here are some questions you may be asking about buying a franchise and tips on how to find more information:

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibits G-1 and G-2.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor’s direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit E includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets
Will my business be the only First Choice Business Brokers business in the area?	Item 12 and the “territory” provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What’s it like to be a First Choice Business Brokers franchisee?	Item 20 or Exhibits G-1 and G-2 list current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need to Know About Franchising *Generally*

Continuing responsibility to pay fees. You may have to pay royalties and other fees even if you are losing money.

Business model can change. The franchise agreement may allow the franchisor to change its manuals and business model without your consent. These changes may require you to make additional investments in your franchise business or may harm your franchise business.

Supplier restrictions. You may have to buy or lease items from the franchisor or a limited group of suppliers the franchisor designates. These items may be more expensive than similar items you could buy on your own.

Operating restrictions. The franchise agreement may prohibit you from operating a similar business during the term of the franchise. There are usually other restrictions. Some examples may include controlling your location, your access to customers, what you sell, how you market, and your hours of operation.

Competition from franchisor. Even if the franchise agreement grants you a territory, the franchisor may have the right to compete with you in your territory.

Renewal. Your franchise agreement may not permit you to renew. Even if it does, you may have to sign a new agreement with different terms and conditions in order to continue to operate your franchise business.

When your franchise ends. The franchise agreement may prohibit you from operating a similar business after your franchise ends even if you still have obligations to your landlord or other creditors.

Some States Require Registration

Your state may have a franchise law, or other law, that requires franchisors to register before offering or selling franchises in the state. Registration does not mean that the

state recommends the franchise or has verified the information in this document. To find out if your state has a registration requirement, or to contact your state, use the agency information in Exhibit C.

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

Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution**. The franchise agreement requires you to resolve disputes with the franchisor by mediation or litigation only in Nevada. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate or litigate with the franchisor in Nevada than in your own state.
2. **Mandatory Minimum Payments**. You must make minimum royalty or advertising fund payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.
3. **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. **Financial Condition**. The franchisor's financial condition, as reflected in its financial statements (see Item 21), calls into question the franchisor's ability to provide services and support to you.
5. **Spousal Liability**. Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though 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.

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.

**MICHIGAN ADDENDUM
TO THE DISCLOSURE DOCUMENT**

THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN THESE FRANCHISE DOCUMENTS, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU:

(a) A prohibition on the right of a franchisee to join an association of franchisees.

(b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.

(c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.

(d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) The term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logo type, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.

(e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.

(f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.

(g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to: (i) The failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards; (ii) The fact that the proposed transferee is a competitor of the franchisor or sub franchisor; (iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations; (iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

(h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor

a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).

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

(j) If the franchisor's most recent financial statements are unaudited and show a net worth of less than \$100,000, the franchisee may request the franchisor to arrange for the escrow of initial investment and other funds paid by the franchisee until the obligations, if any, of the franchisor to provide real estate, improvements, equipment, inventory, training or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of escrow.

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

Any questions regarding this notice should be directed to Department of the Attorney General's Office, Consumer Protection Division, Franchise Section, G. Mennen Williams Building, 525 W. Ottawa Street, Lansing, Michigan 48913; telephone number (517) 373-7117.

THIS MICHIGAN NOTICE APPLIES ONLY TO FRANCHISEES WHO ARE RESIDENTS OF MICHIGAN OR LOCATE THEIR FRANCHISES IN MICHIGAN.

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Exhibit A. Franchise Agreement

- Schedule 1 – ~~Area of Operations~~ Designated Territory and Approved Location
- Schedule 2 – Guaranty, Indemnification, and Acknowledgement
- Schedule 3 – Computer System User License Agreement
- Schedule 4 – Assignment of Telephone Numbers, Internet Addresses, and Social Media Identities
- Schedule 5 – Confidentiality and Non-Competition Agreement
- Schedule 6 – Statement of Ownership
- Schedule 7 - ACH Authorization
- Schedule 8 - Franchisee Compliance Certification
- Schedule 9 - State Addenda to the Franchise Agreement

Exhibit B. Non-Disclosure Agreement

Exhibit C. State Administrators/Agents for Service of Process

Exhibit D. General Release

Exhibit E. Financial Statements

Exhibit F. State Addenda to The Disclosure Document

Exhibit G-1. List of Current Franchisees

Exhibit G-2. Former Franchisees

Exhibit H. Tables of Contents of Manuals

Exhibit I. Area Representative Disclosures

Exhibit J. State Effective Dates

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

The franchisor is First Choice Business Brokers, Inc. (“we,” “us,” “our,” or “~~our~~FCBB”). “You” or “your” means the person to whom we grant a franchise. The terms “you” and “your” refer to the person or entity that buys this franchise, including any guarantors.

The Franchisor

We are a Nevada corporation, and ~~we~~ were incorporated on August 19, 2005. We maintain our principal place of business at 851 South Rampart Blvd., Suite 200, Las Vegas, Nevada 89145.

We operate under the name, “FIRST CHOICE BUSINESS BROKERS,” and the trademarks described in Item 13 (the “Marks”). We do not do business or intend to do business under any other names.

Exhibit C contains a list of our agents for service of process.

~~The Franchise We Offer~~

You will operate a business brokerage by assisting business owners who wish to sell their business with buyers who wish to buy an existing business ~~in your Area of Operations~~(the “Franchised Business”). You will operate the Franchised Business using our Marks and in accordance with our with our proprietary specially developed system, including methods and procedures in branding the FIRST CHOICE BUSINESS BROKER concept (collectively, the “System”) and our proprietary operations manual (“Manual”), which we may modify from time to time.

Your Franchised Business will operate from an area that we describe as your Designated Territory (as further described in Item 12); however, you may assist business owners who are located both within and outside of your Designated Territory. You will assist with the negotiations between the buyer and seller to seek a smooth transition of the purchase. In exchange for serving as a broker you will receive a commission to be paid from the seller’s proceeds. You will also earn commission for the resales of existing franchises. You may also employ or contract with personnel to work in your Franchised Business (an “Associate”). An Associate is a sales agent who will be paid by you on commission for the business brokerage transactions that the Associate generates, according to the agreement established between you and your Associate. Our typical clients are small to medium businesses and their potential buyers. The business brokerage industry is small; however, the need for its services has grown considerably due to the increase in the number of entrepreneurs purchasing franchises and starting new business ventures. ~~You will also be able to resell existing franchised businesses.~~

In some states (as identified in “Exhibit I – Area Representative Disclosures”) we have area representatives, who are themselves franchisees of ours, who will perform certain sales and support functions for us. If we have an area representative in your state, that person’s information is disclosed in Exhibit I.

Parents

We are owned by JLN Enterprises, LLC, a Nevada limited liability company formed on April 4, 2017, with a principal place of business at 851 South Rampart Blvd., Suite 200, Las Vegas, Nevada 89145. JLN does not offer products or services to our franchisees or offer franchises in any line of business.

Predecessors ~~and Affiliates~~

We do not have a predecessor.

Affiliates

We have ~~an affiliate~~, two affiliates that operate Franchised Businesses under Franchise Agreements with us: Pro Business Sales, LLC ("Pro"), ~~which has its~~ and Southern CA Business Sales, Inc. ("CA Business"). Pro's principal place of ~~business~~ businesses is at 851 South Rampart Blvd., Suite 200, Las Vegas, Nevada 89145 and CA Business' principal place of business is 445 Marine Way, Del Mar, CA 92014. Pro operates one ~~First Choice Business Brokers~~ Franchised Business and has done so since February 2019, and Pro's offices may be used for training our franchisees. CA Business also operates one Franchised Business and has done so since March 2022.

Prior Business Experience

We have offered franchises since September 2005. ~~Beginning in~~ From June 2021, through March 2024 we ~~previously offered (but do not currently offer)~~ area representative franchises ~~under a separate franchise disclosure document~~. Our former affiliate and Pro ~~Business Sales, LLC's~~ predecessor, Las Vegas 101 Inc. (previously known as Nevada First Business Brokers); ("Las Vegas 101") conducted a business brokerage under the name "Nevada First Business Brokers" from 1996 until 2005. Our principals, as sole proprietors, conducted a business brokerage under the name "Nevada Business Brokers" from 1994 until the inception of our affiliate in 2005. We do not operate an area representative business.

Other than as described above, we have not previously and do not presently offer franchises in any other line of business or conduct any business activities other than the franchising described in this disclosure document.

The Market and Competition

The market for business brokerage services is well-~~developed~~ established, and ~~the market for~~ the services you will provide through your Franchised Business includes cater to the owners of virtually nearly any type of operating business. Business brokerage involves facilitating the buying and selling of businesses by acting as an intermediary between business owners and potential buyers. This includes assessing business value, assisting you with negotiations, preparing marketing materials, and managing the transaction process. Business brokerage services are available year-round. You will ~~compete with~~ face competition from other ~~businesses that offer~~ companies offering similar business brokerage services.

Applicable Laws

You must obtain such operational licenses as may be required under state and local law. The regulations specific to the operation of a business brokerage may vary from area to area, for example, many states may require you to obtain a real estate agent license and, if you sell franchises, some states may require you to register as a franchise broker. Also, city or county business licensing divisions may regulate the conduct of your business. If you resell franchised businesses, some state franchise laws may govern your dealings and communications with prospective franchisees or require you to be licensed or registered with the state before you engage with a resident of that state about a potential franchise purchase. You should investigate whether other regulations and requirements apply.

ITEM 2
BUSINESS EXPERIENCE

Chief Executive Officer: Jeffrey D. Nyman

Jeffrey D. Nyman has ~~served as our~~held the position of Chief Executive Officer and co-founder of our organization since its inception in August 2005. ~~From August 2005 until January 2020,~~ Mr. Nyman also served as our Chief Financial Officer. ~~Mr. Nyman also served~~ from ~~1996~~August 2005 to ~~2019~~January 2020. ~~Beyond his contributions to our company, he held leadership roles with~~ our prior affiliate, Las Vegas 101, where he served as President and Secretary from 1996 to 2019.

Mr. Nyman ~~is also the~~ co-Founder founded and served as President of the Nevada Business Brokers Association ~~and is,~~ actively shaping the industry's standards and practices. He also serves a Board Member of the Las Vegas Commercial Alliance, where he contributes to the advancement of commercial real estate initiatives in the region. In addition to his leadership positions, Mr. Nyman ~~is~~serves as a member of the State of Nevada Real Estate Commission Advisory Council and he ~~co-author of~~authored the State of Nevada Business Brokers Permit License test.

President and Chief Operations Officer: Linda Hentges-Nyman

Linda Hentges-Nyman has ~~served~~been serving as our President since June 2012. A key member of our leadership team, Ms. Hentges-Nyman has also ~~served as our~~held the position of Chief Operations Officer (“COO”) and co-founder since ~~our~~the organization's inception in August 2005. ~~Ms. Hentges-Nyman also served~~ From 1996 to 2019 ~~as the,~~ she was Treasurer of our prior affiliate, Las Vegas 101. ~~Linda was a,~~ where she oversaw critical fiscal operations. Ms. Hentges-Nyman also ~~co-author of~~authored the State of Nevada Business Brokers Permit License test.

Melissa Salyer: Executive Vice President of Franchise Development

Melissa Salyer ~~serves~~has been serving as our Executive Vice President of Franchise Development ~~for First Choice Business Brokers~~ since December 2021. In this role, she ~~served as~~oversees strategic growth and franchisee recruitment, driving the organization's expansion efforts. Prior to joining us, she held the position of Executive Vice President of Franchise Development ~~for~~ Loyalty, LLC in Virginia Beach, Virginia, from December 2019 to November 2021. ~~From August 2019 to the present, Ms. Salyer has~~ Melissa also ~~served as~~has been the Owner of FranDiscovery, a franchise consulting firm based in Virginia Beach, Virginia. ~~From July 2015 to September 2019, Ms. Salyer served as Executive Vice President of Franchise Opportunities for Happy Tax Franchising, LLC in Virginia Beach,~~ since August 2019. At FranDiscovery, she assists prospective franchisees in identifying and securing the right business Virginia.:

Iain Bratt: Chief Financial Officer

Iain Bratt has ~~served~~been serving as our ~~as~~ Chief Financial Officer since February 2024. ~~He also serves as~~ Before joining us, Mr. Bratt held the position of Chief Operating Officer at ChainPro LLC in Scottsdale, Arizona, where he served from February 2023 until February 2024. ~~He served~~ Prior to

his tenure at ChainPro LLC, Mr. Bratt leveraged his expertise as a self-employed consultant based in Las Vegas, Nevada, from February 2016 until February 2023. In this capacity, he provided tailored financial and operational solutions to a diverse clientele2023.

Howard Meltzer: Database Manager and Marketing

Howard Meltzer has ~~served~~been serving as our ~~as~~ Database and Marketing Manager since May 2021, where he has played a pivotal role in enhancing our data systems and marketing strategies. Mr. Meltzer has also ~~has~~ served as the President of ProPoint Management Services in Ponte Vedra Beach, Florida ~~from, since its founding in April 2002 to the present.~~

Mounir Bousaid: Broker Training

Mounir ~~Bousaid~~ has ~~served~~been serving as our ~~as~~ Broker Trainer since October 2023. Since February 2015, he has worked as a broker ~~for~~with our affiliate, Pro Business Sales LLC, in Las Vegas, Nevada ~~from February 2015 to the present. He also.~~ In addition to his role as Broker Trainer, Mounir has owned and ~~operates~~operated a FIRST CHOICE BUSINESS BROKERS franchise in Orlando, Florida, since December 2021.

Freddie McFinn, Transaction Support

Freddie McFinn has been serving as our Transaction Support since 2000. Mr. McFinn also has been Business Broker since 1981, and has been working as a business brokers at Pro Business Sales LLC in Las Vegas, Nevada since 2005, and specializes in the sale of medical practices.

Area Representatives

Our area representatives assist us in selling and supporting franchise locations. If you buy a franchise located in the territory of an area representative, the area representative may provide you with initial and ongoing support and guidance. A list of our current area representatives, including their litigation and bankruptcy history for Items 3 and 4, is included as Exhibit I.

ITEM 3 **LITIGATION**

No litigation is required to be disclosed in this Item.

ITEM 4 **BANKRUPTCY**

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

ITEM 5

INITIAL FEES

You must pay us an Initial Franchise Fee of \$40,000 ~~when you sign the Franchise Agreement. You must also pay us an Initial~~ and a Training/ and Kickstart Marketing Fee of \$14,000. You must pay us these fees when you sign the Franchise Agreement. ~~The Initial Training/Marketing Fee will be \$12,500 until July 1, 2024. On July 1, 2024, the Initial Training/Marketing Fee will increase to \$14,000.~~

We participate in the (VetFran) Veterans Transition ~~Franchise~~ Franchised Business Initiative which ~~seeks~~ provides an opportunity for veterans who want to ~~be in~~ own a business. If you are a veteran of the U.S. Armed Forces that has been honorably discharged, you may be eligible to receive a discount of \$5,000 from the Initial Franchise Fee for a First Choice Business for your first Designated Territory. You must advise us of your service to the United States prior to execution of the Franchise Agreement in order to receive the discount.

The Initial Franchise Fee and Training ~~Fees~~ and Kickstart Marketing Fee are fully earned by us and nonrefundable when you sign the Franchise Agreement for the franchise being purchased. ~~These initial fees are uniform for all franchisees.~~ We do not finance any portion of the Initial Fees.

ITEM 6

OTHER FEES

Type of Fee <u>(Notes 1 and 3)</u>	Amount	Due Date	Remarks
Royalty (Notes 1, 2, and 3) <u>(Note 2)</u>	The greater of: \$300 per month or 10% of <u>your</u> Gross Fees <u>Revenue,</u> up to \$850,000 during the term of the Franchise Agreement; and 8% of Gross Fees <u>Revenue</u> thereafter	By <u>By</u> the 5 th calendar day of every month	We begin <u>start</u> collecting the royalty during the first month <u>in</u> which you begin collecting <u>generating</u> Gross Fees <u>Revenue.</u> We begin charging A minimum royalty of \$300 beginning <u>will</u> be charged starting <u>in the 13th</u> month of operations. FA See <u>after you sign the</u> <u>Franchise Agreement.</u> <u>If you operate multiple</u> <u>Designated Territories, the</u> <u>\$850,000 threshold will be</u> <u>calculated based on the total</u> <u>combined Gross Revenue from</u> <u>all territories you own.</u> 4.2.

Type of Fee (Notes 1 and 3)	Amount	Due Date	Remarks
			<p><u>If you have achieved \$850,000 in Gross Revenue during the initial term, your royalty at renewal will remain at 8% of Gross Revenue.</u></p>
Brand Fund Contribution	\$250 per month	By the 15 ⁵ th calendar day of every month	<p>We reserve the right to increase this fee by 10% per year.</p> <p>If you own more than one Area of Operations <u>Designated Territory</u>, we will require you to pay this amount for each Area of Operations <u>Designated Territory</u>, up to a maximum of five (5).</p> <p><u>We reserve the right to increase this fee by 10% per year.</u></p>
Technology Fee	\$350 per month, plus \$145 per month per Agent <u>Associate</u>	Monthly	<p>The Technology Fee begins 60 <u>days</u> after you sign <u>begin</u> <u>operating the Franchise Agreement</u> <u>Franchised Business</u>. The Agent <u>Associate</u> pays the Agent <u>Associate</u> Fee beginning 30 <u>60</u> days after the Agent <u>Associate</u> completes our training. <u>If you own more than one Designated Territory, and add an additional office, you will be charged \$200 for each additional office.</u> We have the right to increase this fee annually, provided that such <u>increase</u> <u>the Technology Fee</u> will not exceed 10% per year <u>be more than our actual costs to provide the services covered by the Technology Fee plus no more than 10% to cover overhead and administrative expenses.</u></p>
Administrative Support Fee	<u>Currently not charged.</u>	Monthly	<p>We provide administrative support to you in the form of inputting listings and changes to listings into websites and databases at no charge</p>

Type of Fee (Notes 1 and 3)	Amount	Due Date	Remarks
	<p><u>If implemented:</u> 0 -to 15 - Active Listings: \$250 per month 16 -to 30 - Active Listings: \$500 <u>per month</u> 31 -to 60 - Active Listings: \$750 <u>per month</u> 61 -to 100 - Active Listings: \$1,200 <u>per month</u> 101 or more Active Listings: \$1,500 <u>per month</u></p>		<p>for six months (6) after you make your first listing. <u>We reserve the right to introduce a listing Administrative Support Fee at our sole discretion based upon the number of active listings. If this fee is implemented, we will provide a 45-day notice. We may increase this fee annually, provided that such increase will not exceed 10% per year.</u></p> <p>After that period, at our option we may offer (and you may choose) continued listing administrative support in exchange for your payment of the Administrative Support Fee.</p>
<u>Product or Supplier Approval Fee</u>	<u>Currently not charged; if imposed you must reimburse us for our costs up to \$750</u>	<u>Upon demand</u>	<u>You must pay us a fee in an amount we reasonably determine to cover our costs of reviewing and evaluating the requests for approval of products or services.</u>
Credit card <u>and ACH</u> processing fee	3% of the amount charged <u>for credit card and up to \$5 for the ACH</u>	At time of charge	If you pay any sums by <u>to</u> us by credit card <u>or ACH</u> , you agree to pay a credit card <u>the</u> processing fee on that charge.
Late Payment/ <u>Insufficient Funds</u> Fee	9% of the overdue payment plus <u>monthly interest</u> at 1.5% per month <u>in the amount that is the lesser of 1.5% or the highest rate permitted by law.</u>	The day you are late on any payment that you owe to us	If any payment(s) are overdue, you must pay us a late fee in addition to the overdue amount. Interest amount charged may be changed to the maximum rate permitted by law.
Associate Training Fee	\$500 per agent <u>Associate</u> that you employ	Upon scheduling training	Each Associate you employ or contract <u>with</u> must attend On <u>our online</u> training (First

Type of Fee (Notes 1 and 3)	Amount	Due Date	Remarks
	or contract.		Choice University), within 30 days of the date that you hire them. FA Sec. 6.1.
Attendance at annual training, seminar, conference, or event	As set at the time of the event, <u>but typically between \$400 to \$600 per person</u>	60 days prior to event	You will pay us a conference fee in an amount that we determine in our reasonable discretion for you and any Key Personnel to attend the conference. We will not require you or your Key Person <u>Personnel</u> to attend more than one (1) conference per year. 6.3.
Late Fees to Third Parties	1.5% interest. <u>The amount we pay on your behalf plus monthly interest in the amount that is the lesser of 1.5% or the highest rate permitted by law.</u>	With next payment to First Choice	If we advance a payment on your behalf due to late payment to a third party, you are responsible to pay us the amount <u>we</u> paid with 1.5% interest. FA Sec. 7.14. <u>on your behalf plus interest. The interest amount charged may be changed to the maximum rate permitted by law. .</u>
Audit	Our costs of audit, plus 18% interest (or the highest rate allowed by law) on underpayment.	30 days after billing	If we conduct an audit that shows that you have underpaid <u>underreported your Gross Revenue to us in an amount</u> <u>by</u> more than 2%. FA Sec. 11.4.
Transfer fee	\$10,000 <u>for an existing franchisee;</u> <u>\$15,000 for a new franchisee</u>	Due when you transfer ownership of the Franchise Agreement	Due at closing of the transfer.
Costs of Default	Will vary	Upon settlement or conclusion of a claim	In the event of termination for any default by you, such sums shall include all damages, costs, and expenses, including attorney's fees and disbursements we incur as a result of the default, including Royalties. FA Secs. 16.5-16.6.

Type of Fee (Notes 1 and 3)	Amount	Due Date	Remarks
Costs of Enforcement and Attorney Fees	Will vary	Upon settlement or conclusion of a claim	You agree to pay all costs and expenses we incur, including attorney fees, us in connection with enforcement of the Franchise Agreement. FA Sec. 17.6.
Indemnification	Will vary under the circumstances	Upon request or demand	You must reimburse us for the cost we incur if we are sued or held liable for claims that arise in your operation of the Franchised Business. FA Secs. 20.4-20.5.

Notes:

1. All fees are imposed by, collected, and are payable to us. Unless otherwise noted, all fees are not refundable.

2. “Gross ~~Fees~~Revenue” includes all ~~consideration~~gross revenue, whether by cash, credit, barter, or otherwise, derived directly or indirectly from your operation of the Franchised Business ~~—~~. Gross Revenue includes revenue from all sources, including but not limited to from fees, sales, and commissions, such as those earned from business sales or leases, real estate transactions, lending activities, loan brokerage, financing arrangements, valuations, consulting, appraisals, management services, referral fees and consulting revenues)services, whether paid to the business or an individual. “Gross ~~Fees~~Revenue” does not include:

(a) the amount of any tax imposed by any federal, state, municipal or other governmental authority directly on sales and collected from customers, provided that the amount of any such tax is shown separately and, in fact, paid by Franchisee to the appropriate governmental authority; or

(b) all customer refunds and credits made by the ~~Franchise~~Franchised Business (exclusions will not include any reductions for credit card user fees, returned checks or reserves for bad credit or doubtful accounts).

(c) Storage/Document fees charged directly to the business buyer and seller at the closing of a transaction, up to \$1,200.

Gross ~~Fees~~Revenue consisting of property, products or services ~~shall~~will be valued at the retail prices applicable and in effect at the time that they are received.

3. You must pay all amounts due to us by automated clearinghouse (“ACH”). ~~See Schedule 7 to the Franchise Agreement.~~ We or our designee will debit your bank account for the Royalties and any other amounts you owe us. You are required to make funds available for withdrawal from your account before each due date. If you pay any amount to us by credit card, We will increase the amount you owe by the total amount charged for card processing (currently 3%).

ITEM 7
ESTIMATED INITIAL INVESTMENT
YOUR ESTIMATED INITIAL INVESTMENT⁽¹⁾

Type of Expenditure (Note 1)	Estimated Amount		Method of Payment	When Due	To Whom Payment is to be Made
	Low	High			
Initial Franchise Fee	\$40,000		Check, money order, EFT <u>Lump sum</u>	Upon signing Franchise Agreement	Us
Initial Training and <u>Kickstart</u> Marketing Fee (Note 2)	\$12,500 before July 1, 2024 \$14,000 after July 1, 2024		Check, money order, EFT <u>Lump sum</u>	Upon signing Franchise Agreement	Us
Travel and Living Expenses to attend Training (Note 3)	\$100	\$2,500 <u>1,500</u>	Credit card <u>As incurred</u>	As Incurred	Outside Suppliers
Real Estate / Rent (Note 4)	\$0	\$2,500	Check <u>As agreed</u>	As Incurred	Landlord or other vendors
Real Estate Deposit and Improvements (Note 5)	\$0	\$1,500	Check <u>As agreed</u>	As Agreed	Outside Suppliers
Signs	\$500	\$1,500	Check or credit card <u>As agreed</u>	As Incurred	Outside Suppliers
Office Furniture, Equipment and Computers (Note 6)	\$1,000	\$5,000	Credit card <u>As agreed</u>	As Incurred	Outside Suppliers
Pre-Opening and Initial Advertising (Note 7)	\$1,550	\$3,100	Credit card <u>As agreed</u>	As Incurred	Vendors
Insurance (Note 8)	\$1,500	\$2,500	Check or credit card <u>As agreed</u>	As Incurred	Outside Suppliers
Vehicle Cost (Note 9)	\$500	\$1,500	Check or credit card <u>As agreed</u>	As Incurred	Vendors, Insurance Suppliers
Additional funds-3 Months (Note 10)	\$10,000	\$25,000	Check or credit card <u>As incurred</u>	As Incurred	Third party vendors
Estimated Initial Investment (Before July 1, 2024)	\$67,650	\$97,600			
Estimated Initial Investment (After July 1, 2024) <u>TOTAL</u> (Note 11)	\$69,150	\$99,100 <u>98,100</u>			

1. Refundability; Financing. Except where otherwise noted, all fees that you pay to us are non-refundable. Third-party lessors and suppliers will decide if payments to them are refundable. We do not finance any portion of the initial investment.

2. ~~Initial Training/ and Kickstart Marketing Fee . The Initial Training/ and Kickstart Marketing Fee is \$12,500 until July 1, 2024. After July 1, 2024, this fee will increase to \$14,000.~~ This fee pays in part for you to attend our initial training program and for us to provide ~~six (6) months of you with the following Kickstart Marketing for your Franchised Business after you begin operating.~~Program:

A. Initial Set Up, which includes FCBB.Com Website and 2,000 Direct Mailers.

B. 12 Month Marketing Plan, which includes: (i) Contact Search Platform 8,000 - 10,000 Businesses loaded in your CRM; (ii) Contact Search and List Generation Platform Seat; and (iii) Drip Campaign to your CRM.

C. 6 Month Plan provided by a marketing vendor we select, which includes: (i) Social Media Management; (ii) LinkedIn Outreach; (iii) Webinar/Video/eBook; (iv) Paid Ads Management Social Media; (v) Graphic Design/Landing Page; and (vi) Monthly SEO/Blogging.

3. Travel and Living Expenses to Attend Training. Our initial training program is conducted through ~~webinars and a self-guided webinar-based training modules and interactive training modules.~~ While the primary training is conducted via webinars, portions of the initial training program may also be held at our headquarters in Las Vegas, Nevada. You must pay the cost of if in-person training is required, you will be responsible for any associated travel and living expenses to attend any onsite initial training programs. Your ~~These~~ costs will vary depending on whether any travel or lodging is involved or not.

4. Real Estate/Rent. Having a professional office environment enhances your ability to meet with clients, build credibility, and expand your business by hiring and supporting agents. While you are not required to purchase real estate for the operation of to operate your Franchised Business, and, may work from a home office if you do not have no agents (Associates), you may operate a home office as long as you have a professional meeting place to meet clients. We must approve your location. Because your costs may be higher, we recommend you consult with both a licensed real estate professional in your area and a local contractor to determine a more accurate cost for leased premises and improvements before signing a lease and/or the Franchise Agreement we strongly encourage you to consider establishing a virtual office with a unique business address or securing a dedicated office space. Any location you choose must be approved by us and must fall within your Designated Territory.

5. Real Estate Deposit and Improvements. Please note that there are substantial variations in the cost of leased premises and necessary improvements. You should look for space that does not require your making you to make any leasehold improvements, but it may not always be possible to find office space which does not require any improvements to the space at all. Your costs for improving your space will vary, depending on the location and condition of the premises.

You may be required to make a security deposit as a condition of leasing the location for your Franchised Business. Typically, a landlord will require a security deposit equal to one month's rent and payment of one month's rent before giving you possession of the leased premises.

6. Office Furniture, Equipment, and Computers. You will need basic office furniture, equipment, and computers. Your costs will vary depending on the size of your office and how many of these items you may already have.

7. Pre-Opening ~~and Initial Advertising~~ Marketing. The pre-opening initial advertising ~~in this item consists mainly of~~ primarily includes marketing materials, ad placements, regular consumer advertising, and listings on ~~websites~~ platforms like ~~bizbuysell.com.~~ bizbuysell.com. You ~~may spend~~ have the option to invest more if you wish to ~~grow your Franchised Business faster. In exchange for your payment of the Initial Training/Marketing Fee, we will provide six (6) months~~ accelerate the growth of ~~marketing for~~ your Franchised Business ~~after you begin operating.~~

8. Insurance. We describe our requirement that you purchase insurance in Item 8, which includes the types of insurance policies and minimum coverages you must obtain. Your insurance costs may vary.

9. Vehicle Cost. We do not require you to purchase or lease a vehicle for your Franchised Business. However, you will at times make site visits to your clients, so you must either have a vehicle or acquire one. Your vehicle costs may vary, depending on whether you need to purchase or lease a car or not and the age and type of car you have or acquire and fuel and insurance costs in your area.

10. Additional Funds-3 months. This line item estimates the funds (working capital) you will need to cover your pre- and post-opening expenses, which can include initial employee wages, utility deposits, accounting fees, legal fees, licenses, permit costs, sales taxes, and dues (including dues for belonging to such entities as Better Business Bureau, and Chamber of Commerce; you may choose to affiliate with other trade associations as you desire), as well as additional operating capital for other variable costs (e.g., electricity, telephone, heat, Internet service, Internet setup, etc.), paper, cleaning, and other supplies. It also includes the minimum initial inventory of the brochures, ~~business cards,~~ software, and other items that we require you to purchase prior to opening.

11. The amounts listed in this item are only an estimate, however, and there is no assurance that additional working capital will not be necessary during this start-up phase or after. The above figures do not include any provision for managerial salaries or draws by you based upon the assumption that you will be the full-time manager of the business.

You should conduct your own independent investigation of the costs of opening a business sales / brokerage business in the geographic area in which you intend to open the Franchised Business. You should also review the figures stated in this Estimated Initial Investment Item 7 carefully with a business advisor before making any decision to purchase a First Choice franchise.

In compiling this chart, we relied on the experience of our current affiliates and our prior affiliate, Las Vegas 101, in running a similar concept to the franchise being offered to you, as well as the experience of our management team in franchising this concept.

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ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

~~The Goods or Services Required to be Purchased or Leased~~

Advertising Materials and Website

All advertising and promotion by you, in any manner or medium, must be conducted in a dignified manner and must conform to our standards and specifications. You will need to display the Marks in the manner required by us on all promotional materials used in the Business. We must approve all advertising materials (including, but not limited to collateral materials and campaigns, broadcast, print or other media) in advance of your use of the materials. You must submit to us, for our prior written approval, samples of all advertising and promotional plans and materials that you desire to use that have not been prepared or previously approved by us. We have ~~ten (10)~~ days from the date that we receive your proposed advertising materials to approve or disapprove them. If we do not respond to you within ~~ten (10)~~ days of our receipt of your advertising materials, those materials are deemed approved. We are an approved supplier of advertising materials, but we are not the only approved supplier of advertising materials.

You are required to use our website services for your Franchised Business' website. We are the only approved supplier of website services. ~~You are required to use certain third-party websites to advertise listings.~~ We are not an approved supplier of ~~the~~ third-party websites.

Computer Hardware and Software

You must, at your own expense, install, maintain, and utilize the Communications and Information Systems that we require (as defined in Item 11 below). You will sign a Computer System User License Agreement (attached as Schedule 3 of the Franchise Agreement).

You must lease and/or purchase software as necessary to connect with the Communications and Information Systems and you must hire a third-party or outside vendor that we approve of to perform the services required to connect with such Systems. You may request to use a vendor that we have not previously approved, and our consideration of any proposed outsourcing vendor(s) may be conditioned upon, among other things, such third party or outside vendor's entry into a confidentiality agreement with us and you in a form that is provided us.

You must use the computer hardware and software that is compliant with our software system and programs. We are the only approved ~~supplere~~ supplier of our online software system. We are not an approved supplier of ~~the~~ computer hardware.

Equipment, Furniture, Fixtures, and Signs

You ~~are required~~may choose to purchase equipment, furniture, fixtures, and signs ~~pursuant to our specifications.~~when you establish an office. While we may ~~designate~~recommend suppliers for these items; we are not ~~an approved supplier or currently~~ the ~~only~~exclusive or approved supplier ~~of~~for the equipment, furniture, fixtures, and signs. The signs must be in line with brand guidelines. You must purchase business cards for use in the Franchised Business.

You must, at all times, maintain the Franchised Business and the business equipment and products used in connection with Franchised Business in a high degree of cleanliness, repair, and condition. You must make any additions, alterations, repairs, and replacements as may be necessary to maintain the conditions that we require. You must make any periodic repainting or replacement or obsolete signs, furnishing, fixtures, equipment, and décor as we may reasonably direct.

Products and Services

You must offer and sell all products and services that we specify. We may designate, at any time and for any reason, certain suppliers for any equipment, supplies, services, or products. You are prohibited from offering or selling any services or products from or through the Franchised Business that have not previously been authorized by us. If you wish to offer or sell any services or products that have not previously been authorized by us, you must first make a written request to us, requesting authorization to offer or sell such services or products. We do not make available to you our criteria for approving or denying the suppliers or products. we may deny such approval for any reason. In connection with such request for approval, you must submit to us such information and samples as we desire. Upon demand, you must pay us a supplier review fee in an amount we reasonably determine to cover our costs of reviewing and evaluating the requests for approval you submit (up to \$750).

Insurance

~~Insurance coverage must meet our minimum requirements, which we reserve the right to change from time to time. Currently, our minimum requirements~~

You must purchase and maintain insurance at a minimum in the types of coverage and amounts we specify below, in the Manual, or otherwise in writing.

You are ~~that you~~required to have errors and omissions insurance ~~for~~in reference to the professional services provided by you and your ~~agents~~Associates with a minimum limit of liability of \$1,000,000 per occurrence. You must carry general liability insurance with a minimum limit of liability in respect to bodily injury or property damage of \$1,000,000 per occurrence, vehicle insurance with bodily injury / property damage limits of \$250,000 per person and \$500,000 per occurrence, and any insurance required by state law, such as worker's compensation.

All insurance policies, including the errors and omissions insurance, ~~must name us as an additional insured party. We are not an approved supplier or the only approved supplier of the required insurance policies~~will: (1) be issued by an insurance carrier(s) acceptable to us and that have an A.M. Best rating of A or higher; (2) will name us and our affiliates, and their respective officers, directors and employees, as an additional insured; (3) contain a waiver of the insurance company's right of

subrogation against us; (4) contain the below-listed insurance coverage for each Franchised Business that you operate; and (5) provide that we will receive 30 days' prior written notice of a material change in or termination, expiration or cancellation of any policy (or such shorter period as the insurance carrier may require and as approved by us). As applicable, you will ensure that the any insurance required by us includes primary and non-contributory endorsement or language in form or content as we periodically require. You must provide us (i) proof of the insurance listed in this Item 11 prior to the commencement of any operations under the Franchise Agreement, (ii) proof of insurance listed in this Item 11 least 15 days prior to the expiration of any policy (iii) notification within 15 days of any material alteration or cancellation of any coverage reference in this Item 11.

Site

~~You are not required to purchase real estate for the operation of your Franchised Business, and, if you have no agents (Associates), you may operate a home office as long as you have a professional meeting place to meet clients. We must approve your location. We have the right to approve your Franchised Business lease or sublease and to require that it include certain provisions including our right to the premises of your Franchised Business if the franchise is terminated or not renewed or if you lose possession because of your default under the lease. We are not an approved supplier or the only approved supplier of a location for your Franchised Business.~~

A professional office environment is essential for fostering agent collaboration, client engagement, and brand consistency. This can be a traditional office, a co-working space, or another professional setting that facilitates team building and mentorship. While a virtual office is permissible initially, we recommend you transition to a physical office that supports agent development and client engagement as the business grows. All office locations are subject to our approval and must be within your Designated Territory, and you must provide us with a copy of the lease or rental agreement. You are not required to purchase real estate to operate your Franchised Business. If you do not have Associates, you may work from a home office and additionally use a virtual office.

Training

You and any Key Personnel must attend our training before you open your Franchised Business. If you hire any Associates, they must also attend Initial Training within 30 days of hiring. We are the only approved supplier of the required training.

Officer Interests in Suppliers

Our officers, Jeff Nyman and Linda Nyman-Hentges, own an interest in us. Neither of our officers owns an interest in any of our other approved suppliers.

Alternative Suppliers

~~We do not require you to obtain our approval to obtain products or services from alternative suppliers. As a result, we do not issue criteria for supplier approval.~~

Issuance and Modification of Specifications

We issue and modify specifications to franchisees and approved suppliers in our ~~Operations~~ Manual or other informational bulletins.

Revenue from Required Purchases

In the fiscal year ending December 31, ~~2023~~2024, we earned \$~~524,441~~575,619 from required purchases and leases of products and services ~~from~~by our franchisees, representing ~~32.3~~23.4% of our total revenue of \$~~1,621,246~~2,456,323.

Our affiliates did not derive any revenue from required purchases or leases by our franchisees.

Required Purchases and Leases as a Proportion of Costs

We estimate that your required purchases and leases comprise between ~~42~~10% and ~~59~~20% of your initial cost of establishing your Franchised Business, and between 15% and 25% of your ongoing costs of operating the Franchised Business.

Supplier Payments to Us

At present, suppliers do not make payments to us from franchisee purchases. However, we reserve the right to receive supplier payments for franchisee purchases.

Purchasing or Distribution Cooperatives

There are currently no purchasing or distribution cooperatives within the System.

Purchase Arrangements

We do not currently negotiate purchase arrangements with suppliers, including price terms, for the benefit of franchisees, but reserve the right to do so.

Material Benefits

We do not provide material benefits to you based on your use of a particular supplier. However, in order to renew your Franchise Agreement, you must be in compliance with ~~it~~[the Franchise Agreement](#),

including any supplier standards, ~~and~~ along with any other agreements between you and us or our affiliates. We can terminate your Franchise Agreement if you breach it.

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	Sections 1.2 and 3.4	Items 7, 8, 11, and 12
(b) Pre-opening purchases/leases	Sections 5.1 and 7.9	Items 6, 7, 8, and 11
(c) Site development and other pre-opening requirements	Section 5, 7.2	Items 7, 8, and 11
(d) Initial and ongoing training	Section 6	Items 5, 6, 7, 8 and 11
(e) Opening	Sections 5 and 7	Item 11
(f) Fees	Sections 2.2, 4, 6.1, 6.2, 6.3, 7.7, 7.14, 11.4, 12.1, 14.3.4, 16.5, 16.6, 17.6, 25.12; Schedule 3	Items 5, 6, 7, 8, 11
(g) Compliance with standards and policies/Operating Manual	Sections 7 and 9	Items 8 and 11
(h) Trademarks and proprietary information	Sections 8, and 10	Items 11, 13, 14, and 16
(i) Restrictions on products/services offered	Sections 7.5-7.9	Items 8, 11, 12, and 16
(j) Warranty and customer service requirements	Section 7.11	Item 11
(k) Territorial development and sales	None	Not applicable

Obligation	Section in Agreement	Disclosure Document item
quotas		
(l) Ongoing product/service purchases	Section 7.5-7.9	Items 6 and 8
(m) Maintenance, appearance and space requirements	Section 7.3, 7.4	Items 8, 11, 16, and 17
(n) Insurance	Section 13	Items 7 and 8
(o) Advertising	Sections 4.3, 5.1, and 12	Items 6, 7, 8, and 11
(p) Indemnification	Section 20	Item 6
(q) Owner's participation/management/staffing	Sections 6, 7 and 17	Items 11 and 15
(r) Records and reports	Sections 7.10.6 and 11	Item 11
(s) Inspections and audits	Sections 7.13 and 11	Items 6 and 11
(t) Transfer	Section 14	Item 6 and 17
(u) Renewal	Section 2.2	Item 17
(v) Post-termination obligations	Section 16	Item 17
(w) Non-competition covenants	Sections 10,17.2, 17.3 and 17.7	Items 15 and 17
(x) Dispute resolution	Section 25	Item 6 and 17

ITEM 10
FINANCING

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

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

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

We may delegate the performance of any or all of our obligations under the Franchise Agreement to an area representative, affiliate, agent, independent contractor or other third party. If we have appointed, or appoint in the future, an area representative to operate an area development business in the area in which your Franchised Business is located, such area representative may provide the training, support, marketing and other services described in this Item 11 to you on our behalf and will have the authority to exercise many of our rights and perform many of our obligations under the Franchise Agreement. Our current area representatives and the areas they are responsible for are listed in Exhibit I.

Before you open the Business, we will:

1. Conduct ~~a seven (7) days of~~the initial training. (Franchise Agreement, Section 3.1.2);
- ~~2. Assist you in determining a location to be the Approved Location of the Franchise. We may delegate this responsibility to an area representative, if we have one responsible for the area that includes your Franchise. Our current area representatives, and the areas they are responsible for, are identified in Exhibit I. (Franchise Agreement, Section 3.1.3);~~
2. Conduct virtual training and brainstorming sessions focusing on foundational business brokerage basics and advanced techniques. (Franchise Agreement, Section 3.1.3)
- ~~3. Assist you in the layout of the Franchise and equipment selection process~~ Review the location to be the Approved Location of the Franchised Business. (Franchise Agreement, Section 3.1.4);
- ~~4~~
5. If we permit you to do use such a premises, approve or deny your proposed Approved Records Location (Franchise Agreement, Section 1.2.2)
4. Assist you in the layout of the Franchised Business and equipment selection process. (Franchise Agreement, Section 3.1.5);
5. Supply you with our First Choice Start-Up and Resource Guide, Plan of Action for Franchise Success, and Complete Operations Manual ~~(together, the “Manual”).~~ (Franchise Agreement, Section ~~3.1.5~~3.1.6);
- ~~5~~6. Provide you with your list of approved and/or designated suppliers. (Franchise Agreement, Section 3.1.6);
- ~~6. Supply you with the First Choice proprietary systems and Proprietary Marks.~~ (Franchise Agreement, Section 3.1.7);
7. Supply you with ~~our required Office Management Suite (OMS) and CRM for tracking buyers, sellers, listings, reports, and archival~~the First Choice proprietary systems and Marks. (Franchise Agreement, Section 3.1.8); and
89. If you will have agents / brokers (“Associates”) working at your Franchised Business other than yourself and any Key Personnel, we will train those Associates either online or at a designated training facility. (Franchise Agreement, Section 6.1.2).

Site Selection

You are not required to purchase real estate to operate your Franchised Business. If you do not have Associates, you may work from a home office and additionally use a virtual office. If you choose to have an office, you are responsible for selecting a location for the operation of your ~~franchise~~ Franchised Business. Your location must be approved by us. (Franchise Agreement, Sections 1.3 and 3.1.3).

We will not unreasonably withhold our acceptance of a site for your Franchised Business that meets our requirements. Any location which is not home-based will require you to select a location within the ~~Area of Operations~~ Designated Territory from which to operate the Franchised Business; the location of the office needs to be approved to ensure it is not in conflict with another First Choice location and/or Designated Territory. We will note any Approved Location on Schedule 1 of the Franchise Agreement. Acceptance by us of a location is conditioned upon our determination, in our judgment, that: (i) the site which you have submitted for the Franchised Business is within your ~~Area of Operations~~ Designated Territory and is a suitable site based upon criteria ~~we~~ franchisor establish from time to time; and

(ii) you and your owners are in compliance with the Franchise Agreement.

The factors that we consider in acceptance of the site include population demographics, neighborhood, and physical characteristics of the premises, such as size and layout. We evaluate each proposed site and accept or do not accept each one on a case-by-case basis.

We will approve or disapprove of your proposed location for the Franchised Business within 15 business days of our receiving from you the proposed location. If we do not approve the location that you select, we will give you 30 days from the date we disapprove of your location to select and propose to us an alternate location within your ~~Area of Operations~~ Designated Territory. If you and we cannot agree on a location for your Franchised Business, we will terminate your Franchise Agreement and retain your full initial franchise fee payment, which we deem to be fully earned. (Franchise Agreement, Sections 1.3, 1.4).

Time Before Opening

We estimate that there will be an interval of time of 30 to ~~90~~ 60 days between the execution of the Franchise Agreement and the opening of your Franchised Business. You are required to open the business within 120 days of signing the Franchise Agreement, unless we agree otherwise in writing. The factors that may affect this length of time include obtaining a satisfactory site and a lease or rental agreement, obtaining permits and licenses, your compliance with zoning and local ordinances, remodeling and decorating, installation of software and computer systems, training, weather conditions, obtaining marketing materials, hiring as needed and obtaining financing arrangements.

During the operation of your business, we will:

1. Provide telephone support and training at or about the time of the opening of the ~~Franchise. If you have an area representative, your area representative may provide these services to you.~~ Franchised Business. (Franchise Agreement, Section 3.2.1);
2. Provide ~~marketing during the first six (6) months after you open your Franchised Business in exchange for the Initial Training/Kickstart Marketing Fee. After that, we will provide advice and support for your marketing efforts,~~ as described below. (Franchise Agreement, Section 3.2.2);
3. Provide updates, as necessary, modifications and/or changes to the Manual. (Franchise Agreement, Section 3.2.3);
4. Provide you, at our option, with location visits and corresponding franchise visitation reports. (Franchise Agreement, Section 3.2.4);
5. At our sole discretion, conduct a mystery business for sale program to ensure product service quality. (Franchise Agreement, Section 3.2.5);
6. Provide support for your questions related to the operation of the Franchise. ~~We may delegate this responsibility to an area representative, if we have one responsible for the area that includes your Franchise. Our current area representatives, and the areas they are responsible for, are identified in Exhibit I.~~ (Franchise Agreement, Section 3.2.6);
- ~~7. — Develop new products and/or methods, and provide you with information about any such developments (Franchise Agreement, Section 3.2.7);~~
- 8
7. We may hold conferences, additional training courses, or seminars to discuss and instruct you in techniques, performance standards, personnel training, bookkeeping, accounting, marketing programs, new products, marketing and general operating procedures. (Franchise Agreement, Section 3.2.8);
- ~~98.~~ Provide on-going training and support services. ~~If you have an area representative, your area representative may provide these services to you.~~ (Franchise Agreement, Section 3.2.9);
- ~~109.~~ Administer, or appoint a third party to administer, the Brand Fund. (Franchise Agreement, Sections 3.2.10 and 12.1);
- ~~1110.~~ Approve or disapprove samples of all local advertising and promotional materials not prepared or previously approved by us which are submitted by you. (Franchise Agreement, Sections 12.4 and 12.6);
- ~~1211.~~ Let Grant you a limited right to use ~~our~~the Marks and certain confidential information. (Franchise Agreement, Section 8);

12. We may examine and copy, at our expense, the books, records, computer systems, computer records, accounts, and tax returns (the “Books”) of your Franchised Business. We will also have the right, at any time, to have an independent audit made of the books and records of the Franchised Business. (Franchise Agreement, Section 11.4)

13. We may suggest prices to you for the sale of products and services, but you will not be required at any time to sell at or above such suggested prices. You may determine the prices at which you sell the products and services of the ~~Franchise~~Franchised Business, as well as the terms and conditions of sale for such products and services. (Franchise Agreement, Section ~~7.87.7~~).

Brand Fund

We have established a marketing fund for system-wide marketing and promotion of the System (the “Brand Fund”). You must contribute \$250 per month for each ~~Area of Operations~~Designated Territory where you operate a ~~FIRST CHOICE~~Franchised Business ~~BROKERS franchise~~, up to a maximum of ~~five (5) Areas of Operations~~5 Designated Territories (“Brand Fund Contribution”). We reserve the right to increase this fee by 10% per year. (Franchise Agreement, Section 12.1).

The Brand Fund will be maintained and administered by us or our designee, as follows:

1. We will direct ~~all~~ marketing programs, based on the ~~decisions~~recommendations made by our franchisee-led Brand Fund Committee (the “BFC”). ~~(unless we describe veto the BFC in greater detail below~~recommendation). The BFC will provide us with direction regarding the concepts, materials, and media used in the programs, along with their placement and allocation. ~~While primary decisions regarding use of the Brand Fund will be made by the BFC, we retain veto power over any advertising decisions made by the BFC. We will exercise this power only in exceptional circumstances and, if we do so, we will give the BFC the opportunity to modify its decision or submit a new proposal.~~
2. The Brand Fund is intended to maximize public recognition, acceptance, and use of the System; and we are not obligated, in administering the Brand Fund, to make expenditures for you that are equivalent or proportionate to your contribution. Any FIRST CHOICE Office operated by us, or our affiliate(s) will contribute to the Brand Fund in the same percentage, and at the same times, as the majority of our franchisees.
3. The Brand Fund, ~~all contributions, and any of its earnings~~ will be ~~used exclusively to meet all costs of maintaining, administering, directing, conducting,~~made to pay expenses we incur, in our sole discretion, in connection with the general promotion of the Marks and the System, including the cost of formulating, developing and ~~preparing~~implementing advertising, marketing, direct mail, promotional and public relations ~~and/or promotional~~campaigns; expenses related to market research and customer and franchise satisfaction surveys; the cost of research and development; creative development services (including creation and modification of our design and trade dress, logos, graphics, and advertising and promotional items, including the cost of retiring expired or obsolete printed items and materials, photography services, and design software); organizing and hosting franchise conferences; the development and maintenance of website hosting and e-commerce programs; and ~~materials, Websites (as defined below),~~the reasonable costs of administering the Brand Fund, including

~~the cost of employing advertising, public relations and any other local, regional or national activities which we believe will increase brand awareness or enhance the image of the System~~
third party agencies to assist us and providing promotional brochures and advertising materials to franchised businesses, as well as accounting expenses and the actual costs of salaries and fringe benefits paid to our employees engaged in administration of the Brand Fund.
The Brand Fund may disseminate advertising by radio, television, print, the Internet, or otherwise. The Brand Fund may also be used to provide rebates or reimbursements to our franchisees for expenditures on products, services, or improvements we approve in advance, which products, services, or improvements we deem, in our sole discretion, will promote general public awareness and favorable support for the System.

4. The Brand Fund is not a trust or escrow account, and we have no fiduciary obligations regarding the Brand Fund. The Brand Fund is intended to maximize the public's awareness of FIRST CHOICE and the System, and we have no obligation to ensure that any individual franchisee benefits directly or on a pro rata basis from the placement, if any, of advertising, marketing or other activities in its local market.

5. You ~~may be required to~~must contribute to the Brand Fund by ~~electronic funds transfer~~ACH as we may specify. All sums paid to the Brand Fund will be maintained in an account separate from our other monies and will not be used to defray any of our expenses, except for the reasonable costs and overhead, if any, as we may incur in activities reasonably related to the administration, direction, and implementation of the Brand Fund. The Brand Fund and its earnings will not otherwise inure to our benefit, and the marketing contributions to and earnings of the Brand Fund are not and will not be our asset. The Brand Fund may lend money and incur debt in the furtherance of its general purposes with our written approval.

6. We anticipate that all contributions to and earnings of the Brand Fund will be expended for marketing and/or promotional purposes during the taxable year within which the contributions and earnings are received. ~~If, however, excess amounts remain in the Brand Fund at the end of a taxable year, all expenditures in the following taxable year(s) will be made first out of accumulated earnings from previous years, next out of earnings in the current year, and finally from contributions.~~

7. We will maintain separate bookkeeping accounts for the Brand Fund. An unaudited statement of the operations of the Brand Fund will be prepared annually and you may obtain a copy of the unaudited statement for the most-recent year by written request to us.

8. Although the Brand Fund is intended to be of perpetual duration, we maintain the right to terminate the Brand Fund; provided that, we will use any unexpended monies in the Brand Fund for marketing and/or promotional purposes for the System.

9. The Brand Fund will not be used for advertising or promotion whose sole purpose is to solicit the sale of franchises. ~~However, we reserve the right to include a notation in any advertisement indicating "Franchises Available." Other advertising and promotional material may also reflect the availability of franchises.~~

The advertising requirements are uniform to all franchisees that have signed a Franchise Agreement with us and are not refundable.

The advertising fees collected by us are not collected on behalf of any third parties, except to the extent such fees are imposed on behalf of third-party advertising agencies, media sources and other sources of advertising selected in accordance with the Franchise Agreement.

Other than the Brand Fund, we are not required to have any advertising program for the franchise system. We are not obligated to conduct advertising of any type for the System or for your Franchised Business.

In our last fiscal year ending December 31, ~~2023~~2024, ~~we collected \$22,000 in~~the Brand Fund did not spend any of the Brand Fund Contributions. ~~We did not spend any of that amount collected in 2023~~2024.

Local Advertising

You may develop advertising materials for your own use, at your own costs. All advertising, promotion, and marketing must be completely clear, factual, and not misleading, and must conform to both the highest standards of ethical advertising and marketing and the advertising and marketing policies that we periodically require (Franchise Agreement, Section 12.4).

We must approve all advertising materials (including collateral materials and campaigns, broadcast, print or other media) in advance of using the materials. For all proposed advertising, marketing, and promotional materials that we have not supplied to you or previously approved, you must submit samples of these plans and materials to us, for our review and prior approval. If you do not receive written approval from us within ~~ten (10)~~ days of the date of our receipt of the samples or materials, we will be deemed to have approved them. You may not use any advertising, promotional, or marketing materials that we have not approved of or have disapproved.

We do not have local or regional advertising cooperatives, nor do we require you to participate in such a cooperative.

Brand Fund Committee

We have an advertising council comprised of franchisees in good standing, the Brand Fund Committee (the "BFC"). The BFC is comprised of seven franchisee members plus two non-voting members (one is our representative and the other a person with experience in marketing). Members serve for one ~~(1)~~ -year terms and are eligible to serve consecutive terms. Members are nominated by franchisees and are elected by majority rule; one franchise agreement equals one vote. ~~The BFC has decision-making authority concerning the~~While recommendations regarding use of the Brand Fund will be made by the BFC, these recommendations are merely advisory, and we retain veto power over any advertising recommendations made by the BFC. we will exercise this veto power only in exceptional circumstances and, if we do so, we will give the BFC the opportunity to modify its decision or submit a new proposal. we have the ability to dissolve the BFC.

Kickstart Marketing

As part of the Training and Kickstart Marketing Fee, we provide you with the following Kickstart Marketing Program:

A. **Initial Set Up**, which includes FCBB.Com Website and 2,000 Direct Mailers.

B. **12 Month Marketing Plan**, which includes: (i) Contact Search Platform 8,000 - 10,000 Businesses loaded in your CRM; (ii) Contact Search and List Generation Platform Seat; and (iii) Drip Campaign to your CRM.

C. **6 Month Plan** provided by a marketing vendor we select, which includes: (i) Social Media Management; (ii) LinkedIn Outreach; (iii) Webinar/Video/eBook; (iv) Paid Ads Management Social Media; (v) Graphic Design/Landing Page; and (vi) Monthly SEO/Blogging.

You also have the option to extend the services provided by the marketing vendor by 4 additional months for an additional fee of \$4,300, which includes SEO/ LinkedIn/ Social/Meta Ads.

Websites

Websites (as defined below) are considered as “advertising” ~~under the Franchise Agreement~~ and are subject (among other things) to our review and prior written approval before they may be used (as described above). The term “Website” means an interactive electronic document contained in a network of computers linked by communications software that you operate or authorize others to operate and that refers to the FIRST CHOICE Business, Marks, us, or the System. The term Website includes Internet and World Wide Web home pages, as well as any identity on a social networking or social media site.

~~In connection with any Website, the Franchise Agreement provides that~~ You cannot establish a Website related to the Marks or the System, nor may you offer, promote, or sell any products or services, or make any use of the Marks, through the Internet without our prior written approval. A Website will be created and maintained for you by our outside supplier (the “Franchise Website”), which will be paid for by you through the monthly software fee that we charge you. (Franchise Agreement, Section 12.6)

~~Because we expect that each FIRST CHOICE Business Brokerage will have a strong presence in its community,~~ You must establish an account with each of Facebook, LinkedIn, X (formerly Twitter) and any other social or networking websites that we specify, and these accounts must comply with our guidelines including posting of content and representation of the Marks. ~~If any objectionable content is posted to one of these accounts, you will have 12 hours after notice from us to remove it. If the objectionable content is not removed within this 12-hour period, we have the right to terminate your Franchise Agreement.~~ Any other on-line presence that you wish to establish must have our prior written consent. ~~You must provide us with all the user IDs and passwords related to each on-line account you establish.~~ (Franchise Agreement, Section 12.6)

Computer System.

~~You must obtain and use in your Business a Windows compatible computer with high-speed Internet access, following these minimum guidelines:~~

Category	Operating Requirements
Operating System and Software	Currently supported Windows Operating System Currently supported Microsoft Office Professional Appropriate Antivirus Software Current versions of Adobe Acrobat DC or Pro
Processor Speed, Memory, Disk Space	Adequate to operate the above software
Connectivity	LAN Internet Connection
Printer / Fax / Scanner	All in One Color Laser (HP Suggested)
Communications	1 main business line (minimum)
Internet	Broadband connection

~~You may obtain your computer hardware from any vendor so long as the computer system meets our requirements. You will be solely responsible for the acquisition, operation, maintenance, and upgrading~~

~~You must, at your own expense, install, maintain, and utilize the Communications and Information Systems that we require (as defined below) allowing you to take full advantage of the System and our support tools. You may obtain the hardware associated with your Communications and Information Systems from any vendor so long as the hardware meets the requirements set forth in the Franchise Agreement, the Manual, or otherwise in writing.~~

~~You will sign a Computer System User License Agreement (attached as Schedule 3 of the Franchise Agreement) for access to the “Communications and Information Systems”, which includes our required hardware (including computers, a lead management system, a customer relationship management (CRM) system, or similar systems as we require); computer user system; software designed for the management and operation of the Franchised Business, as well as reporting and sharing information with us; and communication systems (including without limitation digital and analog modems, satellite, cable, and other systems). (Franchise Agreement, Section 7.9). You must pay we a Technology Fee in association with at a monthly rate of \$350 per month, plus \$145 per month per Associate, which currently includes access to our CRM and operating system, as well as the design and operation of a website that we will manage for you. We have the right to increase this fee annually, provided that the Technology Fee will not be more than our actual costs to provide the services covered by the Technology Fee plus no more than 10% to cover overhead and administrative expenses.~~

~~You must lease and/or purchase software as necessary to connect with the Communications and Information Systems and you must hire a third-party or outside vendor that we approve of to perform the **computer system** services required to connect with such Systems. We reserve the right to change the computer system at any time. You must replace, upgrade, and/or update your Communications and Information Systems in the manner and timeframe that we specify. We need not reimburse you for any costs that you incur due to a change in the computer system. We estimate that the cost of the computer system and other equipment listed above is between \$500 and \$2,000. (Franchise Agreement, Section 7.9)~~

Neither we, nor any affiliate or third party, is obligated to provide ongoing maintenance, repairs, upgrades or updates for the ~~computer system~~ Communications and Information Systems; however, we will do so to the extent practicable under the circumstances. We currently do not require that you purchase a maintenance, repair, upgrade or update service contract for the ~~computer system~~ Communications and Information Systems, but we reserve the right to do so in the future. The current annual cost of a service contract is about \$1,500. (Franchise Agreement, Section 7.9)

~~Online Software Systems~~

~~You are required to lease from us a customized online software system, at a monthly rate of \$350, plus \$145/month per Agent. This fee also covers the creation and operation of a website that we will design and operate for you. We may adjust the lease amount by up to 10% annually after you have been a franchisee for 1 year. Upgrades to the software may be required periodically.~~

~~We will have independent access to the data and~~

You must (i) enter into the Communications and Information Systems and maintain all information that we require, (ii) provide us such reports as we may reasonably request related to such information, and (ii) permit us independent access to your Communications and Information Systems and all data and information contained within. We own all data stored on the Communications and Information Systems. You must also by all applicable laws pertaining to privacy of information ~~that is~~ collected under the computer system, and or maintained regarding customers or other individuals. You must cooperate with us and must execute all documents required permit us access to your Communications and Information Systems and data contained within. There are no contractual limitations ~~on~~ to our independent access to this data and information.

~~Operations Manual~~

Exhibit H contains the Table of Contents to our ~~Operations~~ Manual. The Manual presently contains 398 pages.

Training

We are committed to providing you with the tools and knowledge you need to build your Franchised Business. We will provide you with the following training:

Business Broker On-Demand: You will gain a solid foundation in First Choice Business operations with our on-demand modules (approximately 50-60 hours). You will learn essential concepts and best practices, valuation, marketing for sellers/listings, listing kit documents, financing for buyers, completing the purchase agreement, negotiations, and closing the transaction. The on-demand courses include assignment case studies for valuations, listing agreement and purchase agreement that will be reviewed during the live webinar review sessions. This initial phase is delivered through our user-friendly First Choice University (FCU) learning management system. On-demand courses and assignments are required to be completed approximately 1 week prior to the live webinar review session.

Business Broker Live Webinar Sessions: You will deepen your business broker foundational knowledge and connect with the First Choice Business Brokers training experts and fellow franchisees as well as agent trainees in nine interactive webinar sessions. These sessions provide a valuable opportunity to review the information covered in the on demand in more detail with real-world scenarios, ask questions and build relationships within the First Choice Business Brokers network.

Owner Operator On-Demand: Multiple training videos regarding First Choice Business Brokers operations, review of the agent independent contract agreement, recruiting of agents, training of agents, business broker mentorship and managing your agents through the CRM.

Owner Operator Live Webinar Sessions: During the webinar sessions you will be provided with a deeper review of brokerage documents, back office management systems, royalty reporting, real world scenarios of agent mentorship and best practices for operations.

Dedicated Support Team: Our team is available to answer your questions and provide guidance as you build your Franchised Business.

Our initial training program consists of the following:

TRAINING PROGRAM

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS OF ON-THE-JOB TRAINING	LOCATION
Operation of the First Choice systems	8 <u>12</u>	<u>12</u>	<u>Virtual; See Note 1</u>
Getting started in Business Brokerage & Office Setup	6 <u>8</u>	<u>2</u>	<u>Virtual; See Note 1</u>
Determining your Marketing Area.	2	<u>2</u>	<u>Virtual; See Note 1</u>
Personal Goals for your Franchise <u>Franchised Business</u>	2		<u>Virtual; See Note 1</u>
Business Valuation System– Recasting & Pricing a Business	6 <u>8</u>	<u>8</u>	<u>Virtual; See Note 1</u>
Preparation of documents	6	<u>2</u>	<u>Virtual; See Note 1</u>
In depth Case Studies	6 <u>10</u>	<u>8</u>	<u>Virtual; See Note 1</u>
Client relations, sales and business development	3 <u>4</u>	<u>2</u>	<u>Virtual; See Note 1</u>

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS OF ON-THE-JOB TRAINING	LOCATION
Methods of presentation of the business.	2	<u>2</u>	Virtual; See Note 1
Working with Buyers and Sellers	6 <u>8</u>	<u>4</u>	Virtual; See Note 1
Buyer/Seller Meetings	5 <u>6</u>		Virtual; See Note 1
Closing the Transaction	3 <u>4</u>	<u>2</u>	Virtual; See Note 1
Franchisee Legal Compliance and Reporting Requirements	3 <u>2</u>		Virtual; See Note 1
Building Referrals	3		Virtual; See Note 1
Training Plans	3		Virtual; See Note 1
Financing Methods	4		Virtual; See Note 1
Office Management System (OMS)	6 <u>8</u>	<u>4</u>	Virtual; See Note 1
Growing Your Asset Time Management	3		Virtual; See Note 1
<u>v</u>	<u>3</u>		Virtual; See Note 1
Building your Team of Associates	3		
Managing Your Associates	5		Virtual; See Note 1
Helping Associates achieve their Personal Goals	1		Virtual; See Note 1
Your Office Procedures	3	<u>2</u>	Virtual; See Note 1
Royalty Reporting	2	<u>2</u>	Virtual; See Note 1
Totals	95 <u>109</u>	<u>52</u>	Virtual; See Note 1

Note 1: ~~Foundational~~Our training (~~program,~~ [First Choice University](#)), consists of on demand courses and live virtual meetings held monthly or as needed throughout the year. [Other than the Training and Kickstart Marketing Fee, you are not required to pay any charges to attend initial training.](#)

~~After you complete First Choice University on demand courses, you will be invited to seven live webinar sessions (consisting of 3.5 hours per session). (See Franchise Agreement, Section 6.1).~~

~~Our training program consists of a minimum of seven days of instruction for you and your Key Personnel through our online First Choice University (FCU) Training Program. After completing FCU Training, you will be invited to a minimum of seven live webinar sessions (each session consisting of 3.5 hours) of the FCU material. (See Franchise Agreement, Section 6.1). You must successfully complete all training sessions before you begin operating your Franchise.~~

~~The Operations Manual will be used as the principal instructional material for the training program.~~

All training programs will be at such times and places designated by us. These courses are generally offered online; however, if we offer any live portion, you are not required to pay any charges to attend the live portion of the initial training. We will provide instructors and training materials for all required initial training courses and such additional training courses, seminars, and programs as we may require in our sole discretion. You, your Key Personnel and/or your employees will be responsible for any and all other expenses and fees incurred by you in connection with any such courses, seminars, and programs, including, but not limited to, the costs of transportation, lodging, meals and wages. (Franchise Agreement, Section 6.1)

All non-key personnel (including Associates) contracted or employed by you are required to attend our First Choice University online training. For these non-key personnel there is a training fee, which will be \$500 per person. This training is mandatory for each Associate you employ or contract and must be completed to our satisfaction within 30 days of hiring such an individual. Any individuals mentioned in this paragraph will be required to sign an agreement governing the terms of their relationship with you and us, which appears in the Manual. You are responsible for the payments described in this section, but the training fee may be paid directly by your non-key personnel. (Franchise Agreement, Section 6.2)

You and your Key Personnel must also attend and, if applicable, complete to our satisfaction any additional meetings, conferences, courses, seminars, and other training programs, as we may in our sole discretion provide from time to time. You and your Key Personnel are required to attend at least one meeting, conference, seminar, or training program per year. You will be required to pay us an attendance fee for each such meeting, conference, course, seminar, or other training programs. Currently the attendance fee is equal to \$400 to \$600 per person. You must pay us the attendance fee at least 60 days prior to the event. You will also be required to bear the cost of all travel, lodging, and meals to and from such programs for you and any other person attending with you. (Franchise Agreement, Section 6.3)

Jeffrey Nyman, Linda Hentges-Nyman, Freddie McFinn, Howard Meltzer, Mounir Bousaid, and Trent Lee teach our initial training classes. We describe the nature and length of experience of our instructors:

Chief Executive Officer:

- Jeffrey D. Nyman

~~Jeffrey D. Nyman has served as~~ our Chief Executive Officer and co-founder ~~Since August 2005. From August 2005 until January 2020, Mr. Nyman also served as our Chief~~

~~Financial Officer. Mr. Nyman has also served as a franchisee of ours in Las Vegas and California since 2019. Mr. Nyman also served from 1996 to 2019 as President and Secretary of our prior affiliate, Las Vegas 101. Mr. Nyman is also the co-Founder, has nearly 20 years of experience with FCBB and our affiliates and President over 31 years of experience in the Nevada business Brokers Association and is a Board Member of the Las Vegas Commercial Alliance. Mr. Nyman is a member of the State of Nevada Real Estate Commission Advisory Council and co-author of the State of Nevada Business Brokers Permit License test.~~

President and Chief Operations Officer: Linda Hentges Nyman

~~Linda Hentges Nyman has served as our President since June 2012. Ms. Nyman has also served as a franchisee of ours in Las Vegas and California since 2019. Ms. Hentges Nyman has also served as our Chief Operations Officer (“COO”) and co-founder since our inception in August 2005. Ms. Hentges Nyman also served from 1996 to 2019 as the Treasurer of our prior affiliate, Las Vegas 101. Linda was co-author of the State of Nevada Business Brokers Permit License test.~~

~~*Freddie McFinn, Business Broker.* Mr. McFinn has been a Business Broker since 1981. First in Los Angeles, CA where he worked for some of the largest Business Brokerage companies rising to management positions Freddie was also President of Pace Investments in Beverly Hills, a boutique business brokerage formed by him and two attorneys. Freddie moved to Las Vegas in 1994 where he continued his Business Brokerage career. Freddie actively works with Buyers and Sellers regardless of whether its large multi-million dollar one or a small mom and pop business. Over the last two years Freddie’s focus has been on the sale of medical practices by diligently guiding buyer and sellers through the purchase and sale process and every step of the way bringing decades of experience to each transaction. He attended Long Island University and C.W. Post. brokerage industry.~~

- ~~• Linda Hentges-Nyman, our President, has nearly 20 years of experience with FCBB and our affiliates and over 31 years of experience in the business brokerage industry.~~
- ~~• Freddie McFinn, one of our Business Broker trainers, has 44 years of experience in the business brokerage industry, including with FCBB and our affiliates.~~
- ~~• Trent Lee, one of our Business Broker. Mr. Lee trainers, has ~~served as the Owner and a Business Broker for Trent Lee, LLC (a franchisee of ours) in Las Vegas, Nevada since February 2018. From January 2015 to the present, Mr. Lee also served as the Owner and Trainer for Trent Lee Agency, LLC in Las Vegas, Nevada. From January 2012, Mr. Lee has served as the Owner of Product Stop, LLC in Las Vegas, Nevada. Mr. Lee been a FIRST CHOICE franchisee for nearly 6 years and has nearly 6 years of experience in the business brokerage industry, and~~ has been ~~honored with the award# 1 business broker for highest number of closed transactions deals~~ in the ~~USA by our National~~ industry for the last 5 years as awarded by the International Business Brokers Association (IBBA), for 2019, 2020 and 2021.~~
- ~~• Howard Meltzer, our Database Manager/Marketing: Mr. Meltzer, has ~~served as the Database Manager/Marketing at First Choice~~ 3 years of experience with FCBB and our affiliates and 3 years in the business Brokers since August 2021. He has served as President at ProPoint Management Services since April 2002 brokerage industry.~~

- Mounir Bousaid, one of our Business Broker: ~~Mr. Bousaid~~ trainers, has been a ~~Franchisee with FIRST CHOICE Business Brokers in Orlando since 2021. He served as a Business Broker with First Choice Business Brokers in Las Vegas since February 2015~~ franchisee for over 4 years and has 9 years of experience in the business brokerage industry.

~~Other than the Initial Training / Marketing Fee, you are not required to pay any charges to attend initial training. Because initial training is conducted online, we do not anticipate that you will incur any travel or living expenses to attend initial training.~~

~~Before you commence operation of the Franchised Business, you and your Key Personnel must attend and successfully complete our training program for new franchisees to our satisfaction. We may require additional training programs or refresher courses.~~

ITEM 12 **TERRITORY**

Area of Operations

~~Your franchise will operate within a geographical area that we designate as your “Area of Operations.” Your specific location, which we call your “Approved Location,” must be approved by us.~~

~~Your Area of Operations will be described on Schedule 1 attached to the Franchise Agreement. Typically, your Area of Operations~~

You will have the right to own and operate your Franchised Business from an Approved Location within a designated marketing territory (the “Designated Territory”). The Designated Territory will include have a minimum population of 325,000, as determined by the US Census Bureau, or another source we deem reliable, 350,000 and will be defined by zip codes, natural or political boundaries.

Relocation of your Franchised Business

~~You will operate your Franchised Business from one location within your Area of Operations and must receive our permission before relocating.~~

You and your Associates must concentrate your marketing efforts to business owners located inside your Designated Territory. You may not do any blanket/mass marketing to solicit new clients outside your Designated Territory (including direct mail, online advertising, telemarketing, and other direct marketing strategies for business listings). We encourage you to promote your business listings to potential buyers outside your Designated Territory, and you and your Associates can accept clients from any location where you (or your Associates) may legally work based upon state regulations. In

addition, you and your Associates may seek clients for specific vertical business listings outside your Designated Territory.

Other First Choice Business Brokers franchisees and their Associates may accept clients located in your Designated Territory. You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. However, we will not grant another First Choice Business Brokers franchise with an approved location within your Designated Territory.

Continuation of your Designated Territory depends on achieving a minimum of \$200,000 in Gross Revenue for the second year of operations and each year thereafter. If your Designated Territory is one in which another First Choice Business Brokers franchisee previously operated, then the age of the Designated Territory is determined by the length of time a First Choice Business Brokers franchise has been or was operated within the Designated Territory. If you do not meet this minimum, we may serve a notice to cure upon you and terminate your protections in or modify the boundaries of the Designated Territory. We otherwise may not modify the Designated Territory during the term of the Franchise Agreement.

If you wish to relocate ~~your franchise~~ the Approved Location of your Franchised Business, you may request our consent to relocate to another Approved Location within your ~~Area of Operations~~ Designated Territory. We will not unreasonably withhold our consent, but such consent must be in writing to be effective.

Rights of First Refusal

We do not customarily grant to franchisees options, rights of first refusal or similar rights to acquire additional franchises, although we do retain the right to do so within our sole discretion.

Non-Exclusive Territory

~~You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. However, we will not establish either a company-owned or franchised outlet selling the same or similar goods or services under the same or similar trademarks or service marks that is physically located within your Area of Operations. Other franchisees and/or their agents will be permitted to work with their clients who have a business located in your Area of Operations, but they will not be permitted to mass market into your Area of Operations.~~

~~Continuation of your exclusivity within your Area of Operations depends on achieving a minimum of \$200,000 in Gross Fees for the second year of operations within the Area of Operations and each year thereafter. If your Area of Operations is one in which another franchisee of ours previously operated, then the age of the Area of Operations is determined by the length of time a FIRST CHOICE franchise has been or was operated within the Area of~~

~~Operations. If you do not meet this minimum, we may serve a notice to cure upon you and terminate your exclusivity within the Area of Operations.~~

~~We may also modify the boundaries of your Area of Operations upon renewal if there is a population increase in your Area of Operations in order that your Area of Operations maintains roughly the same population upon renewal as when you first acquired the Franchise.~~

Restrictions on Solicitation

We and our affiliates reserve the right to use other channels of distribution, such as the Internet, catalog sales, telemarketing, or other direct marketing sales, to make sales within your ~~Area of Operations~~Designated Territory using our ~~Proprietary~~ Marks or under trademarks different from the ones that you will use under the Franchise Agreement:

~~You and other franchisees also may solicit and transact business in any jurisdiction in which you or they may legally do so, including through other channels of distribution, such as the internet, social media, telemarketing, or other direct marketing, to make sales outside your Area of Operations, provided that you do not Mass Market in any area outside of your Area of Operations. "Mass Market" means a concentrated effort or plan through mail, emails, telephone, Internet solicitations (including social media), in person visits, or such other means as we designate, to business locations to obtain business listings.~~

~~We are not obligated to pay without compensation to you for soliciting or accepting orders from inside your Area of Operations.~~

~~You may solicit and accept orders from customers outside your Area of Operations, including through other channels of distribution such as social media, telemarketing, or other direct marketing.~~

Neither we nor any affiliate operates, franchises, or has plans to operate or franchise a business under a different trademark which such business sells or will sell goods or services similar to those you will offer, but we reserve the right to do so.

ITEM 13
TRADEMARKS

The franchise agreement licenses to you the right to use the following principal trademarks ("Marks") registered or applied for with the U.S. Patent and Trademark Office ("USPTO"):

Mark	Principal / Supplemental Register of USPTO	Registration Date	Registration Number
FIRST CHOICE BUSINESS BROKERS (Word mark)	Principal	December 30, 2008	3554190

Mark	Principal / Supplemental Register of USPTO	Registration Date	Registration Number
(Logo)	Principal	November 18, 2008	3534142

We have filed all required affidavits relating to the registered Marks shown above.

There are presently no effective determinations by the USPTO, the Trademark Trial and Appeal Board, the Trademark Administrator of any state or any court, nor any pending interference, opposition or cancellation proceeding or material litigation involving our Marks.

We have no pending infringement, opposition, or cancellation proceedings. We have no pending material litigation involving marks that are material to the franchise. We have no agreements that significantly limit our rights to use or license the use of our Marks that are material to the Franchised Business. We do not know of superior prior rights or infringing uses that could materially affect your use of our principal trademarks in your state.

If any claim is filed against you relating to your proper use of our Marks, you must notify us immediately and cooperate with any action by us. We are not obligated to defend or indemnify you for damages you incur in any claim, action or proceeding brought by any person against you claiming to have superior rights to the Marks, but we may do so in our sole discretion. To be eligible for ~~us~~we to defend or indemnify you, you must follow the Franchise Agreement and be using the Marks according to our rules.

We will have discretion to take any action we deem appropriate and the right to control exclusively any settlement, litigation, or administrative or other proceeding relating to any infringement, challenge or claim or otherwise relating to any Proprietary Mark.

You may use only the Marks which we designate and may use them only in the manner we authorize and permit. Any goodwill associated with the Marks or our System, including any goodwill which might be deemed to have arisen through your activities, inures directly and exclusively to our benefit. You may not use the Marks in connection with the offer or sale of any services or products which we have not authorized for use in connection with the System. You may not use the Marks as part of your corporate or other legal name, or as part of any e-mail address, website, domain name, or any other electronic media or social media (including use with any prefix, suffix, other modifying words, terms, designs, or symbols), or in any other manner connected with a Website, advertisements on a website, social media site, or other similar means; except as we permit in writing. You may not use the words "First Choice," "First Choice Business Brokers," "FCBB" or any confusingly similar words as part of the name of your corporation, LLC, or other entity, and you must file any fictitious, assumed name or similar certificate as we specify.

You must modify or discontinue use of any of the Marks if we modify or discontinue such use. If this happens, we will reimburse you for your tangible costs of compliance. You must not directly or

indirectly contest any right to our Marks, trade secrets, or business techniques that are a part of our business.

You will not receive any interest in the Marks. You may not at any time contest the validity or ownership of the Marks, including any Marks which we license to you after you sign the Franchise Agreement. All of your usage of the Marks and any goodwill established from their use will inure to our benefit and the benefit of our successor(s) or affiliate(s).

ITEM 14
PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

No patents are material to the franchise. We claim copyright protection of the Manuals and related materials, system software and other brand identity/marketing/advertisement/promotional materials. We have not registered all of these copyrights with the United States Copyright Office, but do not need to do so at this time to protect them. These materials are considered proprietary and confidential and are considered our property and may be used by you only as provided in the Franchise Agreement. We reserve the right to register any of our copyrighted materials at any time we deem appropriate. You may use these items only as we specify while operating your Business (and must stop using them if we so direct you).

Certain other software programs used by ~~FIRST CHOICE Offices~~ [Franchised Businesses](#) may be protected by copyrights owned by independent third parties and licensed to us for our use and the use of our franchisees. We may or may not apply for other copyrights and service marks in the future.

There currently are no effective determinations of the Copyright Office or any court regarding any of the copyrighted materials. There are no agreements in effect that significantly limit our right to use or license ~~the~~ copyrighted materials. There are no infringing uses actually known to us, which could materially affect your use of the copyrighted materials in any state. We are not required by any agreement to protect or defend you for any use by you of a patent, trademark, or copyright.

We possess certain confidential information including the methods, techniques, formats, specifications, procedures, information, systems and knowledge of and experience in the operation and franchising of FIRST CHOICE Offices (the "Confidential Information"). We will disclose certain of the Confidential Information to you during the training programs, seminars and conventions, in the Manuals and in guidance furnished to you during the term of the Franchise Agreement. We claim proprietary rights in all of our Confidential Information, in whatever form it exists. You will not acquire any interest in the Confidential Information other than the right to utilize it in the development and operation of a FIRST CHOICE Office during the term of the Franchise Agreement.

We consider our Manuals Confidential Information. You will receive one copy of the Manuals on loan from us during the training program that is required under the Franchise Agreement, and you must retain it for the term of the Franchise Agreement and update it periodically as directed by us. We may revise the Manuals, and you will be required to comply with each new or changed standard, although these new and changed standards will not materially affect your rights and responsibilities under the Franchise Agreement.

You are required, at all times, to treat the Manuals, any other manuals or written directions or instructions regarding the operation of the Franchised Business, and the information they contain as

secret and confidential. ~~We may revise the Manuals, and you will be required comply with each new or changed standard, although these new and changed standards will not materially affect your rights and responsibilities under the Franchise Agreement.~~ You may divulge Confidential Information only to such of your employees or independent contractors, or if you are a corporation, then to such officers, directors, and shareholders with a need to know the Confidential Information in order to operate the Franchised Business. Any and all information, knowledge, know-how, techniques, and other data that we designate as confidential will be deemed confidential for purposes of the Franchise Agreement.

At our request, you must require your Key Personnel, and any other personnel having access to any Confidential Information to execute covenants that they will maintain the confidentiality of information they receive in connection with their employment by you at the Franchised Business. Such covenants must be on our then-current Confidentiality and Non-Competition Agreement.

All ideas, concepts, techniques, or materials concerning a FIRST CHOICE Office, whether or not protectable intellectual property and whether created by or for you or your owners or employees, must be promptly disclosed to us and will be deemed to be our sole and exclusive property, part of the System. You are required to assign to us ownership of that item, and all related rights to that item, and you must take whatever action (including signing assignment or other documents) we request to show our ownership or to help us obtain intellectual property rights to the item.

ITEM 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

As a franchisee, you are encouraged but not required to personally operate your Franchised Business. In either case, there are no restrictions on your ability to hire employees or appoint ~~agents~~Associates to operate or assist you in the operation of your ~~franchise~~Franchised Business.

~~Personal “on premises” supervision is not required of if you (as an individual, or business entity franchisees but we strongly recommend on premises supervision. If you choose if you are an entity, any of the franchise owners) will not to personally supervise your franchise, operate the Franchised Business, then, prior to the commencement of operations at the Franchised Business, you must designate one or more individuals (the “Key Person” or “Key Personnel”) who will be responsible for general oversight, management of the operations and recruiting Associates for the Franchised Business. We do not place any limits on who you can hire as an on-premises supervisor (your Key Personnel Person(nel); however, any Key Personnel Person is subject to our prior approval and any Key Person that you hire or appoint must successfully complete our training program. We do not require your Key Personnel to have any equity interest in your business. Your Key Personnel need not have an or ownership interest in your business. In the event the person or persons designated as the Key Person dies, becomes incapacitated, leaves your employ, transfers his/her interest in Franchisee, or otherwise ceases to supervise the operations of the Franchised Business, you must promptly designate a new Key Person, subject to our reasonable approval.~~

Our franchise model allows (but does not require) you to build a team of Associates. ~~Associates are independent contractors (and not employees) with whom you have an arms’ length contractual relationship. Under no circumstances will your Associates be deemed an employee of ours, and your contract with each~~However, any Associate ~~must clearly state that his or her contractual~~

~~relationship is with you, and hire may not us, and that we are not a party to the contract~~ do any blanket/mass marketing to solicit new clients outside your Designated Territory (including direct mail, online advertising, telemarketing, and other direct marketing strategies for business listings).

At our request, you must obtain and furnish to us non-disclosure and non-competition covenants in a form and substance satisfactory to us (including covenants applicable upon the termination of a person's relationship with you) from any or all of the following persons: (a) the Key Personnel; (b) all managers and any other personnel employed by you who have received or will receive training from us; and (c) all officers, directors, partners, principals, lenders, and other holders of a beneficial interest of five percent or more of your securities or equity interests, and of any corporation or other entity directly or indirectly controlling, controlled by, or under common control with you. Our current form Confidentiality and Non-Competition Agreement is attached to the Franchise Agreement as Schedule 5.

You are required to have those individuals with an ownership interest in the Franchised Business enter into the Guaranty, Indemnification and Acknowledgement attached to both the Franchise Agreement as Schedule 2.

ITEM 16 **RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL**

You can offer, rent, and sell only those goods and services that conform to our standards and specifications. You need to comply with the standards and policies in the Manuals. All goods and services offered in your business must be approved by us. We may add additional authorized services and products that you must offer, and delete items when we deem appropriate, and there are no limits on our right to do so.

You may determine the prices at which you sell the products and services of the Franchised Business, as well as the terms and conditions of sale for such products and services. We may, from time to time, suggest prices to you for the sale of products and services, but you will not be required at any time to sell at or above such suggested prices.

~~You may accept business from outside your Area of Operations. You can also place advertising in media within or directly solicit orders within your Area of Operations without special permission from us. Other franchisees in your Area of Operations may accept business from and provide services to customers regardless of their proximity to your Approved Location without special permission from us. You can also place advertising in media within or directly solicit orders anywhere within your Area of Operations without special permission from us. You may not mass market into another Franchisee's Area of Operation. Mass marketing is defined as a concentrated effort or plan through mail, emails, telephone, in person visits, or such other means as we designate, to business locations to obtain business listings.~~

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

THE FRANCHISE RELATIONSHIP

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

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
a. Length of the franchise term	2.1	Agreement starts on signing and ends 10 years thereafter.
b. Renewal or extension of the term	2.2	If you are in good standing and meet our conditions for renewal, you will be granted the opportunity to obtain a successor to your franchise agreement for an unlimited number of additional 10-year terms.
c. Requirements for franchisee to renew or extend	2.2	<p>In order to renew your franchise, you must:</p> <ul style="list-style-type: none"> (a) Give us FCBB written notice; (b) Not be in default; (c) Have satisfied all of your monetary obligations; (d) Execute our then-current form of Franchise Agreement, which may contain materially different terms and conditions than the current agreement; (e) Comply with our then-current qualification and training requirements for new franchisees; (f) Execute a general release; and (g) have operated the FranchiseFranchised Business on an ongoing basis with business listings and at least twenty (20) closed transactions during the Initial Term. <p>If you seek to acquire a successor franchise at the expiration of the initial term or any renewal term, you may be asked to sign a new franchise agreement that contains terms and conditions materially different from those in your previous franchise agreement, like different fee requirements and territorial rights.</p>
d. Termination by franchisee	15	You may terminate upon any grounds available under applicable law, by selling your franchise pursuant to the franchise agreement, or by not renewing.
e. Termination by the franchisor without cause	15	Not applicable.
f. Termination by the franchisor with cause	15.1	We can terminate the Agreement by notice to you, with or without a cure period, if you breach a material provision of the Franchise Agreement.
g. "Cause" defined – curable defaults	15.2	<p>You will have thirty (30) days after notice to cure defaults relating to your:</p> <ul style="list-style-type: none"> (a) failure to pay fees that you owe us, our affiliates, or vendors, or fail to submit to us FCBB financial information as required under the Franchise Agreement;

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
		<p>(b) failure to operate the Franchise<u>Franchised Business</u> in strict compliance with all of the standards or procedure outlined in the Franchise Agreement, in the Manual or otherwise in writing or failure to promptly pay all expenses;</p> <p>(c) failure to obtain our prior written approval or consent, where required;</p> <p>(d) engage in any business or market any service or product under a name or mark which, in our opinion, is confusingly similar to the Marks.</p> <p>Any default not specifically listed in Section 15.1 of the Franchise Agreement must be cured within thirty (30) days of notice.</p>
<p>h. "Cause" defined – non-curable defaults</p>	<p>15.1</p>	<p>You will not have an opportunity to cure defaults, and we are<u>FCBB is</u> entitled to terminate the Franchise Agreement upon notice, if you:</p> <p>(a) are insolvent;</p> <p>(b) or your Key Personnel fail to satisfactorily complete our initial training program;</p> <p>(c) fail to open the Franchise<u>Franchised Business</u> within the required time limits;</p> <p>(d) abandon the franchise or lose the right to transact business in the legal jurisdiction where your Office is located;</p> <p>(e) Or any of your officers, directors, partners, or principals are convicted of a criminal offense or engage in conduct that we<u>FCBB</u> believe is reasonably likely to have an adverse effect on the System;</p> <p>(f) make an unauthorized transfer of the business;</p> <p>(g) fail to consummate an approved transfer within the time required following your death or mental incapacity;</p> <p>(h) violate any covenant not to compete or relating to confidential information;</p> <p>(i) knowingly maintain false books or records, or submit false reports to us;</p> <p>(j) misuse our Marks or any aspect of the System, or otherwise materially impair the goodwill associated with the System;</p> <p>(k) Refuse to permit us<u>FCBB</u> to inspect your Office,</p>

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
		<p>books, records, or accounts;</p> <p>(l) Upon receiving from usFCBB a notice of default, fail to immediately initiate a remedy to cure your default;</p> <p>(m) receive from usFCBB more than three (3) notices of default under the Franchise Agreement within a twelve(12) month period, regardless of whether you cured those defaults; or</p> <p>(n) breach any material term of the Computer System User License Agreement, except for those terms relating to payment.</p>
i. Franchisee’s obligations on termination/non-renewal	16, 17	Upon termination you shall will cease operating as a FIRST CHOICE Office, pay all sums due to us, cease to use the Marks and our software/database, cancel any fictitious name which contains the Marks, turn over all Manuals, records, files and any materials relating to the operation of the Franchised Business, cancel or transfer all telephone numbers and directory listings to us, and comply with all covenants.
j. Assignment of contract by franchisor	14.1	We may transfer the Franchise Agreement without your consent.
k. “Transfer” by franchisee – defined	14	Includes transfer of contract, the Franchised Business, assets, or ownership change
l. Franchisor approval of transfer by franchisee	14.2	We have the right to approve all transfers, but we FCBB will not unreasonably withhold approval.
m. Conditions for Franchisor approval of transfer	14.3	<p>We have the right to condition our approval of any transfer proposed by you upon the following:</p> <p>(a) You must be in full compliance with the Franchise Agreement and pay all outstanding fees owed to usFCBB or our affiliates;</p> <p>(b) WeFCBB must have declined our right of first refusal;</p> <p>(c) Your transferee must have been approved in writing by us;</p> <p>(d) Your transferee must execute our then-current form of franchise agreement, which may contain terms and conditions materially different from those in your existing franchise agreement;</p>

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
		<p>(e) You must pay usFCBB a transfer fee;</p> <p>(f) You and your owners must execute a general release; and</p> <p>(g) You must re-affirm to usFCBB that you are liable for all obligations you owe to us that arose prior to the effective date of the transfer;</p> <p>(h) Your transferee and/or its Key Personnel must, at your transferee's expense, undergo a minimum of five (5) days of training at our corporate facility in Las Vegas, Nevada, or at a location designated by us; and</p> <p>(i) Your transferee must enter into a written assignment agreeing to discharge all of your obligations under the Agreement, and must guarantee the performance of all such obligations.</p>
n. Franchisor's right of first refusal to acquire franchisee's business	14.5	<p>You must give usFCBB written notice of intent to sell or otherwise transfer the Franchise Agreement. WeFCBB have 30 days from the date that you give written notice to determine whether weFCBB will exercise our right of first refusal. WeFCBB can match any bona fide written offer for your Franchised Business.</p>
o. Franchisor's option to purchase franchisee's business	14	Not applicable.
p. Death or disability of franchisee	14.6	<p>In the event of legal incapacity, the heirs, legal representatives, etc. must, within 120 days, either (i) apply to usFCBB for the right to continue to operate the FranchiseFranchised Business (if they are qualified) or (ii) sell, assign, transfer or convey the interest.</p>
q. Non-competition covenants during the term of the franchise	17.2	<p>You must not be in a competing business anywhere and must not attempt to divert customers of the Franchised Business to any competitive business.</p>

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
r. Non-competition covenants after the franchise is terminated or expires	17.3	You will not engage in a competing business within a 20-mile radius of your Approved Location or Area of Operations <u>Designated Territory</u> using the Marks, including at the premises of the Franchised Business, and within a 20-mile radius of any other FIRST CHOICE Office, for a period of 2 years after your Franchise Agreement is terminated. You must completely disassociate yourself from the Marks and return the Manuals and other confidential materials provided to you by us.
s. Modification of the agreement	7.1 and 23	Changes to the Franchise Agreement must be made in writing and agreed to by both parties.
t. Integration/merger clause	23	Only the terms of the Franchise Agreement are binding (subject to state law). Any representations or promises outside of the disclosure document and Franchise Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	25.9; Schedule 9	You must mediate claims against us <u>FCBB</u> before filing in court. You agree to arbitrate only as may be specified in State Addenda.
v. Choice of forum	25.2	Subject to state law, litigation must be in the courts of the state of Nevada located in Las Vegas, Nevada, and the United States District Court for the District of Nevada.
w. Choice of law	25.1	Nevada law applies (subject to state law).

ITEM 18
PUBLIC FIGURES

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

ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS

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

As of December 31, 2024, there were 110 Franchised Businesses operating out of 74 offices (an “Office”). If there were multiple Franchised Businesses operating out of one Office, the Franchised Business reported Gross Revenue to us by Office and did not break it down by Franchised Business. Each Franchised Business operates in one Designated Territory.

The first table below includes average Commissions from 46 Franchised Businesses operating in 13 Offices that had sold listings in 2024 divided by thirds. All of these Offices own multiple Franchised Businesses. The second table below includes average Commissions from 33 Franchised Businesses operating in 33 Offices that had sold listings in 2024 divided by thirds. All of these Offices only operate a single Franchised Business. “Commissions” includes the Gross Revenue attributable to commissions and referral fees, but do not include the Franchised Businesses’ Gross Revenue attributable to other revenue streams, including revenue from management services or consulting fees. Average Commissions is calculated by taking an Office’s total Gross Revenue attributable to commissions and referral fees and dividing it by the total number of sold listings during the calendar year ending December 31, 2024.

We did not include information about the remaining 30 Franchised Businesses operating in 28 Offices because they did not report any listings to us in 2024 (including 14 Offices that opened in 2024). We also did not include information about the 7 Franchised Businesses that ceased operations in 2024, none of which were in operation for less than 12 months.

Offices with Multiple Franchised Businesses for the 2024 Calendar year						
	# of Offices	Average Commission	# (and %) that Met or Exceeded Average	Highest	Lowest	Median
Top third	4	\$267,825	1 (25%)	\$367,000	\$217,375	\$243,463
Middle third	4	\$144,537	1 (25%)	\$208,998	\$112,500	\$128,325
Bottom third	5	\$68,810	3 (60%)	\$111,000	\$23,650	\$84,600

Offices with a Single Franchised Business for the 2024 Calendar year						
	# of Offices	Average Commission	# (and %) that Met or Exceeded Average	Highest	Lowest	Median
Top third	11	\$987,575	3 (27%)	\$4,450,233	\$197,356	\$348,420
Middle third	11	\$140,698	3 (27%)	\$195,000	\$109,875	\$133,035
Bottom third	11	\$26,995	5 (45%)	\$77,718	\$3,420	\$21,250

Other than as described above, 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 Jeffrey Nyman at First Choice Business Brokers, Inc., 851 South Rampart Blvd., Suite 200, Las Vegas, Nevada 89145, (702) 368-2500, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
Systemwide Outlet Summary
For the years 2021 through 2023

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2021 <u>2022</u>	40 <u>38</u>	39 <u>54</u>	-1 <u>+16</u>
	2022	39	62	+23
	2023	62 <u>54</u>	90 <u>81</u>	+28 <u>+27</u>
	<u>2024</u>	<u>81</u>	<u>109</u>	<u>+28</u>
Company-Owned	2021	0	<u>7</u>	<u>+7</u>
	2022	<u>7</u>	<u>6</u>	<u>-1</u>
	2023	6 <u>0</u>	5 <u>0</u>	-1 <u>0</u>
	<u>2024</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Outlets	2021 <u>2022</u>	40 <u>38</u>	46 <u>54</u>	+6 <u>+16</u>
	2022	46	68	+22
	2023	68 <u>54</u>	95 <u>81</u>	+27 <u>+27</u>
	<u>2024</u>	<u>81</u>	<u>109</u>	<u>+28</u>

Table No. 2
Transfers of Outlets from Franchisees to New Owners
(other than to Franchisor)
For years 2021 through 2023

State	Year	Number of Transfers
Arizona	2021 <u>2022</u>	0
	<u>2023</u>	<u>1</u>
	<u>2024</u>	<u>0</u>

State	Year	Number of Transfers
<u>Florida</u>	2022	0
	2023	40
	<u>2024</u>	<u>1</u>
<u>Idaho</u>	<u>2022</u>	<u>0</u>
	<u>2023</u>	<u>0</u>
	<u>2024</u>	<u>1</u>
Missouri	2021	0
	2022	0
	2023	1
	<u>2024</u>	<u>0</u>
North Carolina	2021 <u>2022</u>	0
	2022	0 <u>2</u>
	<u>2024</u>	<u>0</u>
	2023	2
Texas	2021	1
<u>Utah</u>	2022	0
	2023	0
	<u>2024</u>	<u>1</u>
Totals	2021	1
	2022	0
	2023	40
	<u>2024</u>	<u>3</u>

**Table No. 3
Status of Franchised Outlets
For years 2021 to 2023***

State	Year	Outlets at Start of the Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of the Year
Arizona	2021	3	0	0	0	0	0	3
	2022	3	0	1	0	0	0	2
	2023	2	2	0	0	0	0	4
	<u>2024</u>	<u>4</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4</u>
Arkansas	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1

State	Year	Outlets at Start of the Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of the Year
	<u>2024</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>0</u>
California	2021	7	2	0	0	5*	0	4
	2022	4	4	0	1	0	0	7
		<u>5</u>					<u>2</u>	<u>6</u>
	2023	7 <u>6</u>	2 <u>1</u>	0	0	0	0	9 <u>7</u>
	<u>2024</u>	<u>7</u>	<u>14</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>20</u>
Colorado	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	<u>2024</u>	<u>1</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
Connecticut	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	<u>2024</u>	<u>1</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
Florida	2021	3	1	1	0	0	0	3
	2022	3 <u>2</u>	2	0	0	0	0	5 <u>4</u>
	2023	5 <u>4</u>	1	0	0	0	0	6 <u>5</u>
	<u>2024</u>	<u>5</u>	<u>3</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>7</u>
Georgia	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	<u>2024</u>	<u>1</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>
Iowa	<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>
Idaho	2021 <u>2022</u>	1	0	0	0	0	0	1
	<u>2023</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</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>
Illinois	2022	0 <u>0</u>	0	0	0	0	0	0 <u>0</u>
	2023	0 <u>0</u>	0	0	0	0	0	0 <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>
Kansas	<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>

State	Year	Outlets at Start of the Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of the Year
Kentucky	2021	0	0	0	0	0	0	0
	2022	0	2	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	<u>2024</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>

Maryland	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0

Massachusetts	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	<u>2024</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
Michigan	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	<u>2024</u>	<u>2</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
Minnesota	2021	1	1	1	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	<u>2024</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
Missouri	2021	2	0	0	0	0	0	2
	2022	2	3	0	0	0	0	5
	2023	5	1	0	0	0	0	6
	<u>2024</u>	<u>6</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>8</u>
Montana	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	1	0	0	0	0
	<u>2024</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
Nebraska	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	<u>2024</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
Nevada	2021	0	1	0	0	2*	0	0
	2022	<u>2</u>	0	0	0	0	<u>1</u>	<u>1</u>
	2023	<u>0</u>	0	0	0	0	0	<u>0</u>
	<u>2024</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
New	2021	1	0	0	0	0	0	1

State	Year	Outlets at Start of the Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of the Year
Hampshire	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	<u>2024</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>

New Jersey	2021	0	2	2	0	0	0	0
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New Mexico	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	<u>2024</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
New York	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	1	0	0	0	0	3
	<u>2024</u>	<u>3</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>
North Carolina	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	5	0	0	0	0	7
	<u>2024</u>	<u>7</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>7</u>
North Dakota	2021	0						
	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Ohio	2021	1	0	0	<u>0</u>	0	0	1
	<u>2024</u>			0				
Ohio	2022	1	2	0	0	0	0	3
	2023	3	0	0	0	0	0	3
	<u>2024</u>	<u>3</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4</u>
Oregon	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	<u>2024</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
Pennsylvania	2021	1	0	0	0	0	0	1
	2022	1	1	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	<u>2024</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
South Carolina	2021	0						
	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	<u>2024</u>	<u>1</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
South Dakota	2021	0						

*If multiple events occurred affecting an outlet, this table shows the event that occurred last in time.

Table No. 4
Status of Company-Owned Outlets
For years ~~2021~~2022 to ~~2023~~2024

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
California	2021	0	0	5	0	0	5
	2022	5	0	0	0	1	4
	2023	4	0	0	1	0	3
Nevada	2021	0	2	0	0	0	2
	2022	2	0	0	0	0	2
	2023	2	0	0	0	0	2
Total Outlets	2021	0	2	5	0	0	7
	2022	7	0	0	0	1	6
	2023	6 0	0	0	1 0	0	5 0
	2024	0	0	0	0	0	0

Table No. 5
Projected Openings for ~~2024~~2025 as of December 31, ~~2023~~2024

State	Franchise Agreements Signed But Outlet Not Open	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
Arizona	0	1	0
California	0	5	0
Florida	0	2	0
Hawaii	0	1	0
Illinois	0	3	0
Minnesota	0	1	0
New Jersey	0	2	0
Pennsylvania	0	1	0
Texas	0	5	0
TOTALS	0	21	0

Exhibit G-1 lists the names of all of our operating franchisees and the addresses and telephone numbers of their outlets as of the end of our last fiscal year.

Exhibit G-2 lists the name, city, and state of every franchisee who had an outlet terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under a Franchise Agreement within the last fiscal year. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

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

We have not created, sponsored, or endorsed any trademark-specific organization of franchisees associated with our franchise system. No independent franchisee organizations have asked to be included in this disclosure document.

ITEM 21 FINANCIAL STATEMENTS

Exhibit E contains our audited financial statements for our fiscal years ending December 31, [2024](#), 2023, ~~2022~~, and ~~2021~~[2022](#).

~~We are also attaching non-audited financial statements as of May 31, 2024. These Financial Statements Have Been Prepared without an Audit. Prospective Franchisees or Sellers of Franchises Should be Advised that No Independent Certified Public Accountant Has Audited These Figures or Expressed an Opinion with Regard to their Content or Form.~~

ITEM 22 CONTRACTS

The proposed agreements regarding this franchise offering are included as exhibits to this Disclosure Document as follows:

Exhibit A. Franchise Agreement

- Schedule 1 – ~~Area of Operations~~[Designated Territory](#) and Approved Location
- Schedule 2 – Guaranty, Indemnification, and Acknowledgement
- Schedule 3 – Computer System User License Agreement
- Schedule 4 – Assignment of Telephone Numbers, Internet Addresses, and Social Media Identities
- Schedule 5 – Confidentiality and Non-Competition Agreement
- Schedule 6 – Statement of Ownership
- Schedule 7 - ACH Authorization
- Schedule 8 - Franchisee Compliance Certification

~~We will not ask you to complete the Compliance Questionnaire, and we will disregard any answers from you, if you live or plan to operate your franchise in the states of California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, Wisconsin.~~

Schedule 9 - State Addenda to the Franchise Agreement

Exhibit B. Non-Disclosure Agreement
Exhibit D. General Release

ITEM 23
RECEIPTS

Exhibit K contains the Receipts. You should sign and date both copies of the Receipt, retaining one copy for your records and returning the other signed and dated copy to us.

EXHIBIT A
FRANCHISE AGREEMENT

FIRST CHOICE BUSINESS BROKERS, INC.

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- Schedule 1 – ~~Area of Operations~~ Designated Territory and Approved Location
- Schedule 2 – Guaranty, Indemnification, and Acknowledgement
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- Schedule 6 – Statement of Ownership
- Schedule 7 – ACH Authorization
- Schedule 8 – Franchisee Compliance Certification
- Schedule 9 - State Addenda to the Franchise Agreement

FRANCHISE AGREEMENT

THIS AGREEMENT ("Agreement") is made and entered into on _____, 20__ by and between ~~FIRST CHOICE~~FCBB BUSINESS BROKERS, INC., ~~dba FIRST CHOICE~~ (hereinafter referred to as "~~Franchisor,~~" "~~FIRST CHOICE,~~" "~~we,~~" "~~us~~FCBB," or "our"), and

(hereinafter "Franchisee" or "~~You~~Franchisee") with reference to the following facts:

- A. As the result of the expenditure of time, skill, effort, and money, ~~FIRST CHOICE~~FCBB has developed a distinctive business brokerage business. ~~You~~Franchisee will be given the opportunity to learn about ~~our~~FCBB's trade and practice from the leadership of ~~FIRST CHOICE~~FCBB. The businesses utilize a specially developed system, including methods and procedures in branding the First Choice Business Brokers concept (the "System");
- B. The System consists of a distinctive approach to efficient operation of a business brokerage service; an Opening Guide and Plan of Action for Franchise Success, and Complete Operations Manual; training courses; and specially designed procedures for the promotion of the services of the business;
- C. The distinguishing characteristics of the System include, without limitation, distinctive products, uniform standards, specifications, and procedures for operations, procedures for management, training and assistance, and marketing and promotional programs, all of which may be changed, improved, and further developed from time to time;
- D. The First Choice Business Brokers businesses are identified by the name and/or trademark, "First Choice Business Brokers," and such other trade names, service marks, trademarks, logos, emblems, and indicia of origin as are now designated, and may hereafter be designated, by ~~us~~FCBB in writing for use in connection with the System (the "Proprietary Marks");
- E. ~~You desire~~Franchisee desires to operate a First Choice ~~Franchise (defined below)~~Business Brokers business under the System and using the Proprietary Marks, and wish to enter into this Agreement with ~~us~~FCBB for that purpose, and to receive the training provided by ~~us~~FCBB and other assistance in connection therewith; and
- F. ~~You understand~~Franchisee understands and ~~acknowledge~~acknowledges the importance of ~~our~~FCBB's high standards of quality, cleanliness, appearance, and service, and the necessity of operating the business franchised hereunder in conformity with ~~our~~FCBB's standards and specifications.

THEREFORE, the parties agree as follows:

1. GRANT OF FRANCHISE

~~1.1~~1.1 Subject to all of the terms and conditions set forth in this Agreement, ~~FIRST CHOICE~~FCBB grants to ~~you~~Franchisee the right, and ~~you undertake~~Franchisee undertakes the obligation, upon the terms and conditions set forth in this Agreement: (a) to establish and operate a First Choice Business Brokers business (hereinafter referred to as the "~~Franchise~~Franchised

Business”) at the Approved Location (defined below), under the System, and in association with the Proprietary Marks, and (b) to use the Proprietary Marks and the System solely in connection therewith.

1.2 ~~You~~Franchisee must:

1.2.1 Operate the ~~Franchise only within the Area of Operations more fully described in Schedule 1 (referred to as the “Area of Operations”);~~Franchised Business at the location described in Schedule 1 (the “Approved Location,” ~~and/or “Premises”~~), which is attached hereto and incorporated herein by reference.

~~1.2.2~~1.2.2 At ~~our~~FCBB’s sole discretion, ~~you~~Franchisee may have premises at which ~~you~~Franchisee will maintain all documents, books, records and accounts, including, but not limited to, any manuals and proprietary computer software relating to the ~~Franchise~~Franchised Business which shall be at the following location:

(sometimes referred to as the “Approved Records Location”). However, ~~you~~Franchisee shall not, without written authorization to do so, operate the ~~Franchise~~Franchised Business at this location.

~~1.2.3~~1.2.3 Operate the ~~Franchise~~Franchised Business at the Approved Location only if ~~we~~approveFCBB approves the Approved Location in writing. ~~You~~Franchisee may operate ~~your Franchise~~the Franchised Business from an office location which is a “home-based office,” provided that: 1) ~~you have~~Franchisee has no agents or Associates; and 2) ~~you have~~Franchisee has a professional meeting place to meet with clients that is approved by ~~us~~FCBB. Except as otherwise permitted by this Agreement, ~~you agree~~Franchisee agrees that ~~you~~Franchisee or any of ~~your~~Franchisee’s agents or Associates will not operate or establish any satellite, branch or other extension of the ~~Franchise~~Franchised Business from any other location without ~~our~~FCBB’s prior written consent. ~~You~~Franchisee further ~~agree~~agrees not to conduct, or permit anyone affiliated with the ~~Franchise~~Franchised Business to conduct, any business or activity at the Approved Location other than the services and product sales authorized under this Agreement, unless ~~we approve~~FCBB approves of such other activity in writing.

1.3 ~~Area of Operations~~Designated Territory

~~Your franchise~~The Franchised Business will be for a specific location within a geographical area that ~~we designate as your “Area of Operations~~FCBB designates as Franchisee’s “Designated Territory.” ~~Your~~Franchisee’s specific location, which ~~we call your~~FCBB calls Franchisee’s “Approved Location,” must be approved by ~~us~~FCBB and must be inside ~~your Area of Operations.~~Franchisee’s Designated Territory. ~~Your Area of Operations~~Franchisee’s Designated Territory. The Designated Territory is described on Schedule 1.

1.4 Relocation of ~~your~~Franchisee’s Franchised Business

~~You~~Franchisee will operate ~~your~~the Franchised Business from one location within ~~your Area of Operations~~Franchisee's Designated Territory and must receive ~~our~~FCBB's permission before relocating. If ~~you wish~~Franchisee wishes to relocate ~~your~~Franchisee's franchise, ~~you~~Franchisee may request ~~our~~FCBB's consent to relocate to another Approved Location within ~~your Area of Operations~~Franchisee's Designated Territory. ~~We~~FCBB will not unreasonably withhold ~~our~~FCBB's consent, but such consent must be in writing to be effective.

~~1.5~~ Rights of First Refusal

~~We do not customarily grant to franchisees options, rights of first refusal or similar rights to acquire additional franchises, although we do retain the right to do so within our sole discretion.~~

~~1.6~~ Area of Operations

~~1.5~~ Designated Territory is Not Exclusive

~~Your Area of Operations is not exclusive. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. However, we~~

~~If Franchisee is in compliance with the terms of this Agreement, FCBB will not establish either a company-owned or franchised outlet selling the same or similar goods or services under the same or similar trademarks or service marks that is physically located within your Area of Operations~~Franchisee's Designated Territory. ~~FCBB, other First Choice Business Brokers franchisees and/or their agents will be permitted to work with their clients who have a business located in your Area of Operations~~Franchisee's Designated Territory, but they will not be ~~permitted~~granted the right to Mass Market (as defined below) into ~~your Area of Operations~~Franchisee's Designated Territory.

Continuation of ~~your~~Franchisee's exclusivity within ~~your Area of Operations~~Franchisee's Designated Territory depends on achieving a minimum of \$200,000 in Gross ~~Fees~~Revenue for the second year of operations within the ~~Area of Operations~~Designated Territory and each year thereafter. If ~~your Area of Operations~~Franchisee's Designated Territory is one in which another franchisee of ~~ours~~FCBB previously operated, then the age of the ~~Area of Operations~~Designated Territory is determined by the length of time a First Choice Business Brokers franchise has been or was operated within the ~~Area of Operations~~Designated Territory. If ~~you do~~Franchisee does not meet this minimum, ~~we~~FCBB may serve a notice to cure upon ~~you~~Franchisee and terminate ~~your~~Franchisee's exclusivity within the ~~Area of Operations~~Designated Territory.

~~1.7~~

1.6 Restrictions on Solicitation

~~We and our affiliates reserve the right to use other channels of distribution, such as the Internet, catalog sales, telemarketing, or other direct marketing sales, to make sales within your Area of Operations using our Proprietary Marks or under trademarks different from the ones that you will use under the franchise agreement.~~

~~You~~

Franchisee may solicit and transact business in any jurisdiction in which Franchisee may legally do so, including outside Franchisee's Designated Territory, provided that Franchisee does not Mass Market in any area outside of Franchisee's Designated Territory. "Mass Market" means a concentrated effort or plan through direct mail, online advertising, telemarketing, and other direct marketing strategies for business listings, or such other means as FCBB designates.

FCBB, its affiliates and other First Choice Business Brokers franchisees also may solicit and transact business in any jurisdiction in which you or they may legally do so, including inside Franchisee's Designated Territory or through other channels of distribution, such as the internet, social media, telemarketing, or other direct marketing, to make sales outside your Area of Operations, without compensation to Franchisee; provided that you do not FCBB, its affiliates and other First Choice Business Brokers will not be granted the right to Mass Market in any area outside of your Area of Operations. "Mass Market" means a concentrated effort or plan through mail, emails, telephone, Internet solicitations (including social media), in person visits, or such other means as we designate, to business locations to obtain business listings inside Franchisee's Designated Territory.

~~We are not obligated to pay compensation to you for soliciting or accepting orders from inside your Area of Operations.~~

~~You may solicit and accept orders from customers outside your Area of Operations, including through other channels of distribution such as social media, telemarketing, or other direct marketing.~~

2. TERM AND RENEWAL

2.1 Except as otherwise provided herein, the initial term of this Agreement shall expire ten (10) years from the date first above written, unless sooner terminated in accordance with the provisions hereof (the "Initial Term").

2.2 ~~You~~ Franchisee may, at ~~your~~ Franchisee's option, acquire a successor to this franchise for an unlimited number of additional ten-year periods (each, a "Successor Term"), provided that ~~you meet~~ Franchisee meets the following conditions prior to the expiration of this Agreement:

~~2.2.1~~ 2.2.1 ~~You~~ Franchisee must give ~~FIRST CHOICE~~ FCBB written notice of ~~your~~ Franchisee's election to renew not more than one ~~(1)~~ year and not less than six ~~(6)~~ months prior to the end of the Initial Term or applicable Successor Term of this Agreement;

- 2.2.2 ~~You~~Franchisee must not be in default of any provision of this Agreement, any amendment hereof or successor hereto, or any other agreement between ~~you~~Franchisee and ~~FIRST CHOICE~~FCBB, or its affiliates, and must shall have complied with all the terms and conditions of such agreements during the term(s) thereof;
- 2.2.3 ~~You~~Franchisee must have satisfied all monetary obligations owed by ~~you~~Franchisee to ~~FIRST CHOICE~~FCBB and its affiliates, and must have timely met those obligations throughout the term of this Agreement;
- 2.2.4 ~~You~~Franchisee shall execute the ~~FIRST CHOICE~~ then-current form of ~~the Standard~~First Choice Business Brokers franchise agreement being offered to new or renewing franchise owners under the System at the time of the renewal, which shall supersede this Agreement in all respects (sometimes referred to as the “Successor Franchise Agreement”), and which may contain terms substantially different than those contained in this Agreement, including but not limited to higher fees and a smaller ~~Area of Operations~~Designated Territory, and the term of which will be the successor term specified herein;
- 2.2.5 ~~You~~Franchisee and ~~your~~Franchisee’s personnel shall comply with ~~our~~FCBB’s then-current qualification and training requirements for new franchisees; and
- ~~2.2.6~~2.2.6 ~~You~~Franchisee must execute ~~our~~FCBB’s then-current form of general release of any and all claims against ~~us~~FCBB and ~~our~~FCBB’s subsidiaries and affiliates, and their respective officers, directors, agents, and employees.
- ~~2.2.7~~2.2.7 ~~You~~Franchisee must have operated the ~~Franchise~~Franchised Business on an ongoing basis with business listings and at least ~~twenty~~(20) closed transactions during the Initial Term.

3. DUTIES OF ~~FRANCHISOR~~FCBB

- 3.1 Before ~~your Franchise is opened~~the Franchised Business opens, ~~we~~FCBB will provide to ~~you~~Franchisee the following assistance:
- ~~3.1.1~~3.1.1 Grant approval of ~~your Area of Operations (your Area of Operations~~Franchisee’s Designated Territory (Franchisee’s Designated Territory will be as set forth in Schedule 1 hereto);
- ~~3.1.2~~3.1.2 ~~Conduct a minimum of seven (7) days of live virtual~~ Provide Franchisee with the initial training program. This training may, at ~~our~~FCBB’s election, also be held at ~~our~~FCBB’s corporate office in Las Vegas, Nevada or elsewhere. ~~You~~Franchisee must complete this training prior to opening the ~~Franchise~~Franchised Business. ~~You~~Franchisees are responsible for all travel, lodging, meals and other expenses incurred to attend training, if any;

~~3.1.3~~ 3.1.3 Conduct ~~monthly~~periodic virtual training and brainstorming seminars focusing on foundational business brokerage basics and advanced techniques led by experienced senior business brokers;

~~3.1.4~~ 3.1.4 ~~Assist you in determining a location to be the Approved Location for the Franchise (the Approved Location will be as set forth in Schedule 1 hereto), the selection of which is your obligation and responsibility;~~

~~3.1.5~~ 3.1.4 Assist youFranchisee in the layout of the ~~Franchise~~Franchised Business and equipment selection process;

~~3.1.6~~ 3.1.5 Supply youFranchisee with ~~our FIRST CHOICE~~FCBB's FCBB Opening Guide, Plan of Action for Franchise Success, and Complete Operations Manual (together, the "Manual");

~~3.1.7~~ 3.1.6 Provide youFranchisee with youFranchisee's list of approved and/or designated suppliers;

~~3.1.8~~ 3.1.7 ~~Supply you with the FIRST CHOICE~~ License to Franchisee FCBB's proprietary systems and Proprietary Marks; and

~~3.1.9~~ 3.1.9 Supply youFranchisee with the ~~recommended~~required sales tracking system and the monthly reporting system.

3.2 During the operation of the ~~Franchise we~~Franchised Business FCBB will:

~~3.2.1~~ 3.2.1 Provide telephone support and training at or about the time of the opening of the ~~Franchise~~Franchised Business;

~~3.2.2~~ 3.2.2 ~~Provide marketing assistance during the first six (6) months of your operations, in exchange for your payment of the Initial Training/Marketing Fee;~~ Provide the Kickstart Marketing Program (described below);

~~3.2.3~~ 3.2.3 Provide updates, as necessary, modifications and/or changes to the Manual;

~~3.2.4~~ 3.2.4 At ~~our~~FCBB's option, ~~we~~FCBB will provide youFranchisee with location visits and visitation reports;

~~3.2.5~~ 3.2.5 At ~~our~~FCBB's sole discretion, conduct a mystery business for sale program to ensure product and service quality. In other words, ~~we~~FCBB may present to youFranchisee a disguised business for sale in order to measure the quality of services provided by youFranchisee or youFranchisee's sales representatives;

~~3.2.6~~ 3.2.6 Provide support for youFranchisee's questions related to the operation of the ~~Franchise~~Franchised Business;

~~3.2.7—Develop new products and/or methods, and provide you with information about any such developments;~~

~~3.2.8—We~~3.2.7 FCBB may hold conferences, additional training courses, or seminars to discuss and instruct youFranchisee in techniques, performance standards, personnel training, bookkeeping, accounting, advertising programs, new products, marketing and general operating procedures. As set forth under Paragraph 6.3 below, youFranchisee and youFranchisee's Key Personnel are required to attend at least one (1) of these programs each year. These conferences will be held at a location chosen by usFCBB and youFranchisee will be responsible for attendance fees as well as youFranchisee's own travel expenses. YouFranchisee must pay usFCBB the attendance fee at least 60 days prior to the event;

~~3.2.9~~3.2.8 Provide on-going training and franchise support services; and

~~3.2.10~~3.2.9 Administer, or appoint a third party to administer, a marketing fund, as set forth in Section 12 below.

3.3 YouFranchisee hereby ~~acknowledge~~acknowledges and ~~agree~~agrees that any designee, employee, or agent of ~~FIRST CHOICE~~FCBB may perform any duty or obligation imposed on ~~FIRST CHOICE~~FCBB by this Agreement, as ~~FIRST CHOICE~~FCBB may direct.

~~3.4—You acknowledge~~ Franchisee acknowledges that it is youFranchisee's sole responsibility for finding the Approved Location and that ~~FIRST CHOICE~~FCBB is not obligated in any way to obtain an approved location for youFranchisee, nor is ~~FIRST CHOICE~~FCBB obligated to offer any assistance to youFranchisee in negotiating with any third party landlords, vendors, or contractors. ~~FIRST CHOICE~~FCBB may, but is not required to, assist youFranchisee in identifying and obtaining an Approved Location ~~through advice and/or negotiations with third parties~~, but it is youFranchisee's exclusive responsibility, financially and otherwise, to secure a proposed location, to complete any improvements to the Approved Location, and to engage in any other activity necessary to prepare the Approved Location for opening.

4. FEES

4.1 **Initial Franchise and Training/ and Kickstart Marketing Fees.** In consideration of the ~~Franchise~~Franchised Business granted herein, upon execution of this Agreement, youFranchisee shall pay to ~~FIRST CHOICE~~FCBB an initial franchise fee of \$40,000 and ~~an Initial~~a Training/ and Kickstart Marketing Fee. ~~If you sign this Agreement before July 1, 2024, the Initial Training/Marketing Fee is \$12,500. If you sign on or after July 1, 2024, the Initial Training/Marketing Fee is of~~ \$14,000. None of these fees are refundable and will be deemed fully earned by ~~FIRST CHOICE~~FCBB upon execution of this Agreement. ~~We offer~~FCBB offers a \$5,000 discount on the initial franchise fee for an honorably discharged veteran of the United States Armed Forces.

~~4.2~~4.2 **Royalty.** As soon as you beginFranchisee begins collecting Gross ~~Fees, you~~Revenue, Franchisee shall pay to ~~FIRST CHOICE~~FCBB a monthly royalty fee (“Royalty”) of 10% of Gross

~~Fees~~Revenue (as defined in this Section 4) up to \$850,000 during the term of ~~the Franchise~~this Agreement, and 8% of Gross ~~Fees~~Revenue thereafter, to be paid and accounted for on a monthly, weekly, or daily basis as ~~we instruct.~~FCBB instructs. If Franchisee operates in multiple designated territories, the \$850,000 will be calculated on the total Gross Revenue for all designated territories. The Royalty is subject to a \$300/month minimum beginning ~~in the 13th month of operations~~ months after you sign this Agreement. The Royalty due for each month shall be due on the first day of the following month and must be paid on or before the fifth day of that month, but FCBB reserves the right to collect the Royalty earlier on those Gross Revenues Franchisee collects at the time of the listing is sold.

- 4.3 **Brand Fund Contribution.** ~~You are required to~~Franchisee must pay to ~~FIRST CHOICE~~FCBB a Brand Fund Contribution as set forth in Section 12.1 below.
- 4.4 **Technology Fee.** ~~You agree~~Franchisee agrees to sign a Computer System User License Agreement (attached to ~~the Franchise~~this Agreement as Schedule 3) and pay to ~~us~~FCBB a Technology Fee of \$350 per month plus \$145 per month per ~~Agent~~Associate that ~~you have~~Franchisee has, to use the Computer User System. This fee begins when you begin operating the Franchised Business and any Technology Fees for Associates begin 60 days after ~~you sign this Agreement.~~FIRST CHOICEFranchisee hires the Associate. FCBB has the right to increase the Technology Fee annually, except provided that ~~no such increase will exceed a total of 10% of the monthly fee charged during the previous year.~~ This fee will also pay for certain website-related services that FIRST CHOICE will provide to you, as described in the Manualthe Technology Fee will not be more than FCBB's actual costs to provide the services covered by the Technology Fee plus no more than 10% to cover overhead and administrative expenses.
- 4.5 **Listing Administrative Support Fee.** ~~During the first six (6) months after you make your initial listing, we will provide you administrative support services for the operation of your Franchise. After that period, at our option we may offer you continued support for your listings. If we do so and you use those services, you agree to pay to us a monthly Administrative Support Fee, based on the number of active listings you have, if you choose to use our~~Upon 45 days' written notice Franchisee, FCBB reserves the right to require Franchisee to participate in and pay for administrative support services for the operation of ~~your Franchise.~~the amount of Franchised Business(the "Administrative Support Fee ~~you pay will be~~"). If FCBB implements the Administrative Support Fee, FCBB will waive it for the first six months following implementation. If imposed, the monthly Administrative Support Fee will be based on the number of active listings Franchisee has according to the following schedule:

# of Active Listings	Monthly Fee Amount
0-15	\$250
16-30	\$500
31-60	\$750
61-100	\$1,200
101 or More	\$1,500

~~We have~~FCBB has the right to increase the Administrative Support Fee annually, except that no such increase will exceed a total of 10% of the monthly fee charged during the previous year.

- 4.6 **Processing Fees.** If ~~you wish~~Franchisee wishes to pay, and ~~we agree~~FCBB agrees to accept, the payment of any fees ~~you~~Franchisee must make to ~~us~~FCBB via credit card or similar bank payment and ~~we are~~FCBB is charged a fee for processing (or the amount of fees ~~we~~FCBB received are reduced by such processing charges), ~~you~~Franchisee must ensure that the amount of fees ~~we~~FCBB actually ~~receive~~receives are equal to the entire amount ~~you owe~~Franchisee owes.
- 4.7 **Method of Payments.** Franchisee expressly acknowledges and agrees that Franchisee's obligations for the full and timely payment of Royalties and Brand Fund Contributions, if applicable, (and all other amounts provided for in this Agreement) shall be absolute, unconditional, fully earned, and due upon Franchisee's generation of Gross Fees Revenue. ~~You~~Franchisee must pay all amounts due to ~~us~~FCBB by automated clearinghouse ("ACH"). See Schedule 7 to ~~the Franchise~~this Agreement. ~~We~~FCBB or ~~our~~FCBB's designee will debit ~~your~~Franchisee's bank account for the Royalties and any other amounts owing to ~~us~~FCBB. ~~You are~~Franchisee is required to make the funds available for withdrawal from ~~your~~Franchisee's account before each due date. If ~~you pay~~Franchisee pays any amount to ~~us~~FCBB by credit card, ~~we~~FCBB will charge a fee equal to a percentage of the total amount charged for card processing, currently 3%. ~~You~~Franchisee shall comply with the payment and reporting procedures specified by ~~Franchisor~~FCBB in the Manual.
- 4.8 **Interest on Overdue Amounts.** Any payment or report not actually received by ~~FIRST CHOICE~~FCBB (or the entity it may designate) on or before the due date shall be deemed overdue. If any payment is overdue, ~~you~~Franchisee shall pay ~~FIRST CHOICE~~FCBB a 9% late fee in addition to the overdue amount, plus interest on total amount from the date it was due until paid, at the rate of ~~one and one-half percent (1.5%)~~ per month, or the maximum rate permitted by law, whichever is less. This will be in addition to any other remedies ~~FIRST CHOICE~~FCBB may have.
- 4.9 **"Gross Fees Revenue" Defined.** As used in this Agreement, "Gross Fees Revenue" includes all ~~consideration~~gross revenue, whether by cash, credit, barter, or otherwise, derived directly or indirectly from ~~your~~Franchisee's operation of the Franchised Business—~~(. Gross Revenue includes revenue from all sources, including but not limited to from fees, sales, and commissions, such as those earned from business sales or leases, real estate transactions, lending activities, loan brokerage, financing arrangements, valuations, consulting, appraisals, management services, referral fees and consulting revenues)services, whether paid to the business or an individual.~~ "Gross Fees Revenue" does not include:
- (a) the amount of any tax imposed by any federal, state, municipal or other governmental authority directly on sales and collected from customers, provided that the amount of any such tax is shown separately and, in fact, paid by Franchisee to the appropriate governmental authority; or

(b) all customer refunds and credits made by the ~~Franchise~~Franchised Business (exclusions will not include any reductions for credit card user fees, returned checks or reserves for bad credit or doubtful accounts); or

(c) Storage/Document fees charged directly to the business buyer and seller at the closing of a transaction, up to \$1,200.

Gross ~~Fees~~Revenue consisting of property, products or services shall be valued at the retail prices applicable and in effect at the time that they are received.

5. ~~OPENING OF THE FIRST CHOICE FRANCHISE~~FRANCHISED BUSINESS

5.1 Not less than ~~thirty (30)~~ days prior to the opening date of the ~~Franchise,~~youFranchised Business, Franchisee shall order such minimum initial inventory of the brochures, business cards, products, equipment and software as prescribed in the Manual or otherwise in writing. ~~You~~Franchisee shall provide to ~~FIRST CHOICE~~FCBB reasonable and timely notice that ~~you have~~Franchisee has obtained such inventory prior to opening of the ~~Franchise~~Franchised Business.

5.2 ~~You agree~~Franchisee agrees to open the ~~Franchise~~Franchised Business within ~~one hundred and twenty (120)~~ days after execution of this Agreement, unless ~~FIRST CHOICE~~FCBB agrees otherwise in writing.

6. TRAINING

6.1 ~~You~~Franchisee must ensure that each ~~of you, your~~Franchisee, Franchisee's Key Personnel, and ~~your~~Franchisee's non-key personnel have completed ~~our~~FCBB's required training program, as applicable:

6.1.1 Prior to the opening of ~~your~~Franchisee's Franchise, and not more than 30 days after signing this agreement, ~~you~~Franchisee and ~~your~~Franchisee's Key Personnel (as defined in Section 7.2), if appointed, must attend and successfully complete ~~our~~FCBB's initial training program, which includes on-demand courses and live webinar sessions. ~~If FCBB offers any live portion, Franchisee is normally offered online. If we offer any live portion, you are not required to pay any charges to attend initial training. You are~~ responsible for any travel, lodging, transportation, and meal costs.

6.1.2 All non-key personnel (including Associates) contracted or employed by ~~you are required to~~Franchisee must attend ~~our online~~the training ~~(First Choice University)~~FCBB requires, including on-demand courses and live webinar sessions. For these non-key personnel there is a training fee, which will be \$500 per person. This training is mandatory for each Associate ~~you employ~~that Franchisee employs or ~~contract~~contracts and must be completed within 30 days of hiring such individual. Such individuals will be required to sign an agreement governing the terms of their relationship with ~~you~~Franchisee and ~~FIRST CHOICE~~FCBB, which appears in the

Manual. ~~You are responsible for the payments described in this section, but the training fee may be paid directly by your non key personnel. You may not hire any person who will work primarily from any location outside of your Area of Operations without our prior written approval.~~

- 6.2 ~~You~~Franchisee and ~~your~~Franchisee's Key Personnel must also attend any additional meetings, conferences, courses, seminars, and other training programs, as ~~we~~FCBB may in ~~our~~FCBB's sole discretion provide from time to time. ~~You~~Franchisee and ~~your~~Franchisee's Key Personnel are required to attend at least one ~~(1)~~ such meeting, conference, seminar, or training program per year. ~~You~~Franchisee will be required to pay ~~us~~FCBB an attendance fee for each such meeting, conference, course, seminar, or other training programs. ~~You~~Franchisee must pay ~~us~~FCBB the attendance fee at least 60 days prior to the event. ~~You~~Franchisee will also be required to bear the cost of all travel, lodging, and meals to and from such programs for ~~you~~Franchisee and any other person attending with ~~you~~Franchisee.
- 6.3 All training programs shall be at such times and places designated by ~~us~~FCBB. ~~We~~FCBB will provide instructors and training materials for all required initial training courses and such additional training courses, seminars, and programs as ~~we~~FCBB may require in ~~our~~FCBB's sole discretion. ~~You, your~~Franchisee, Franchisee's Key Personnel and/or ~~your~~Franchisee's employees shall be responsible for any and all other expenses and fees incurred by ~~you~~Franchisee in connection with any such courses, seminars, and programs, including, but not limited to, the costs of transportation, lodging, meals and wages.

7. YOUR DUTIES

- 7.1 ~~You~~Franchisee shall operate the ~~Franchise~~Franchised Business in strict conformity with such methods, standards, and specifications as ~~we~~FCBB may from time to time prescribe in the Manual or otherwise in writing. ~~You~~Franchisee shall refrain from deviating from such standards, specifications, and procedures without ~~our~~FCBB's prior written consent.
- 7.2 Prior to the commencement of operations at the ~~Franchise, you~~Franchised Business, Franchisee shall designate, subject to ~~our~~FCBB's reasonable approval, one or more individuals (the "Key Person" or "Key Personnel") who shall be responsible for general oversight, management of the operations and recruiting Associates for the ~~Franchise~~Franchised Business, if the Key Person is not the franchise owner. ~~You acknowledge~~Franchisee acknowledges and ~~agree~~agrees that ~~we have~~FCBB has the right to rely upon the Key Personnel to have been given, by ~~you~~Franchisee, the responsibility and decision-making authority regarding ~~your~~Franchisee's business and operation. In the event the person or persons designated as the Key Person dies, becomes incapacitated, leaves ~~your~~Franchisee's employ, transfers his/her interest in Franchisee, or otherwise ceases to supervise the operations of the ~~Franchise, you~~Franchised Business, Franchisee must promptly designate a new Key Person, subject to ~~our~~FCBB's reasonable approval.
- 7.3 ~~You~~Franchisee must meet and maintain the highest governmental standards and ratings applicable to the operation of the ~~Franchise~~Franchised Business. ~~You~~Franchisee shall furnish

to ~~us~~FCBB, within five ~~(5)~~ days after receipt thereof, a copy of all inspection reports, warnings, citations, certificates, and/or ratings resulting from inspections conducted by any governmental agency with jurisdiction over the ~~Franchise~~Franchised Business.

- 7.4 ~~You~~Franchisee shall at all times maintain the ~~Franchise~~Franchised Business, and the business equipment or products used in connection therewith, in a high degree of cleanliness, repair, and condition, and in connection therewith shall make such additions, alterations, repairs, and replacements thereto as may be required for that purpose, including, without limitation, such periodic repainting or replacement of obsolete signs, furnishings, fixtures, equipment, and decor as ~~we~~FCBB may reasonably direct.
- 7.5 To maintain the high standards of quality and uniformity associated with the System, ~~you~~Franchisee shall offer and sell all products and services that ~~FIRST CHOICE~~FCBB specifies from time to time. ~~You are~~Franchisee is prohibited from offering or selling any services or products from or through the ~~Franchise~~Franchised Business that have not previously been authorized by ~~FIRST CHOICE~~FCBB. If ~~you wish~~Franchisee wishes to offer or sell any services or products that have not previously been authorized by ~~FIRST CHOICE, you~~FCBB, Franchisee must first make a written request to ~~FIRST CHOICE~~FCBB, requesting authorization to offer or sell such services or products. ~~FIRST CHOICE~~FCBB may deny such approval for any reason. In connection with such request for approval, ~~you~~Franchisee must submit to ~~FIRST CHOICE~~FCBB such information and samples as ~~FIRST CHOICE~~FCBB desires. Upon demand, ~~you~~Franchisee must pay ~~us~~FCBB a fee in an amount ~~we~~FCBB reasonably ~~determine~~determines to cover ~~our~~FCBB's costs of reviewing and evaluating the requests for approval ~~you submit~~Franchisees submits.
- 7.6 ~~FIRST CHOICE~~FCBB reserves the right to designate, at any time and for any reason, suppliers for any equipment, supplies, services, or products.
- 7.7 ~~FIRST CHOICE~~FCBB may, from time to time, suggest prices to ~~you~~Franchisee for the sale of products and services, but ~~you~~Franchisee will not be required at any time to sell at or above such suggested prices. ~~You~~Franchisee may determine the prices at which ~~you sell~~Franchisee sells the products and services of the ~~Franchise~~Franchised Business, as well as the terms and conditions of sale for such products and services.
- 7.8 Not less than ~~thirty (30)~~ days prior to the opening date of the ~~Franchise, you~~Franchised Business, Franchisee must purchase the minimum initial inventory of approved business cards, brochures, and supplies prescribed by ~~us~~FCBB in the Manual or otherwise in writing.
- 7.9 To ensure the efficient management and operation of the ~~Franchise~~Franchised Business and the transmission of data to and from ~~FIRST CHOICE~~FCBB, Franchisee, at its own expense, shall install, prior to opening the ~~Franchise~~Franchised Business, and shall maintain and utilize during the term of this Agreement such Communications and Information Systems as ~~FIRST CHOICE~~FCBB may periodically specify in writing for use by franchisees that operate under the System.
- 7.9.1 As used in this Agreement, the term “**Communications and Information Systems**” means: hardware (including without limitation one or more computers, a lead

management system—~~such as, e.g.~~ Zoho, a customer relationship management (CRM) system, or similar systems; Computer User System (as defined below), and/or other computer components); software designed for the management and operation of the ~~Franchise~~Franchised Business, as well as reporting and sharing information with ~~FIRST CHOICE~~FCBB; and communication systems (including without limitation digital and analog modems, satellite, cable, and other systems).

7.9.2 The term “**Computer User System**” shall mean a system to be specified by ~~FIRST CHOICE~~FCBB that includes functionality that may automate some or all of the following operations, in whole or in part: tracking individual sales transactions, customer resource management (CRM), office management, human resource management issues, maintaining and generating production schedules, vendor orders, inventory lists, product cost analyses, and other collections of data related to the operation of the ~~Franchise~~Franchised Business.

7.9.3 Franchisee shall lease and/or purchase computer software as necessary to connect with ~~FIRST CHOICE~~FCBB’s Communications and Information Systems. Franchisee shall not hire a third party or outside vendors not approved by ~~FIRST CHOICE~~FCBB to perform any services or obligations in connection with the Communications and Information Systems, or any other of Franchisee’s obligations without ~~FIRST CHOICE~~FCBB’s prior written approval. ~~FIRST CHOICE~~FCBB’s consideration of any proposed outsourcing vendor(s) may be conditioned upon, among other things, such third party or outside vendor’s entry into a confidentiality agreement with ~~FIRST CHOICE~~FCBB and Franchisee in a form that is provided by ~~FIRST CHOICE~~FCBB.

~~7.9.4 FIRST CHOICE may from time to time develop or authorize others to develop software programs for use in the System, which Franchisee may be required to purchase and/or license, and use, in connection with the Franchise (“Proprietary Program(s)”). Franchisee agrees that it shall execute any license, sublicense, or maintenance agreement required by FIRST CHOICE or any other approved licensor or approved vendor of such Proprietary Program, which will require the payment of a fee by Franchisee for the use of such Proprietary Programs, at the then current rate(s) set forth in the Manual(s).~~

~~7.9.5 Franchisee shall~~

7.9.4 Franchisee shall replace, upgrade and update its Communications and Information Systems in the manner, and when, specified by ~~FIRST CHOICE~~FCBB in writing.

~~7.9.6~~7.9.5 Franchisee shall: (a) promptly enter; into its Communications and Information Systems, and maintain all information required to be entered and maintained by ~~FIRST CHOICE~~FCBB; (b) provide to ~~FIRST CHOICE~~FCBB such reports as ~~FIRST CHOICE~~FCBB may reasonably request from the data so collected and maintained; and (c) permit ~~FIRST CHOICE~~FCBB to access Franchisee’s Communications and Information Systems at all times via modem or other means specified by ~~FIRST CHOICE~~FCBB from time to time. Franchisee shall cooperate with ~~FIRST CHOICE~~FCBB and shall execute all documents required by ~~FIRST CHOICE~~FCBB to

permit access to Franchisee's Communications and Information Systems and data contained therein. The reporting requirements set forth in this Section shall be in addition to and not in lieu of the reporting requirements set forth under Section 11 below. Franchisee acknowledges and agrees that FCBB owns all information entered into the Communications and Information Systems, including all customer data associated with the Franchised Business. Additionally:

(1) Franchisee shall abide by all applicable laws pertaining to privacy of information collected or maintained regarding customers or other individuals ("**Privacy**").

~~(2)~~ ~~(2)~~ Upon entering into this Agreement, Franchisee authorizes **FIRST CHOICE** FCBB to send emails to Franchisee and all of those principals and employees associated with operating the Franchisee Franchised Business to the extent such emails relate to the Franchisee Franchised Business and/or the System.

~~7.9.7~~ ~~7.9.6~~ When communicating with Franchisor FCBB in writing, Franchisee and its Associates shall communicate via the Franchisor FCBB provided e-mail addresses and system.

7.10 ~~You~~ Franchisee must maintain a competent, conscientious, trained staff, including a fully trained, full-time manager, which may be yourself. ~~You~~ Franchisee must take such steps as are necessary to ensure that ~~your~~ Franchisee's employees preserve good customer relations: which include rendering competent, prompt, courteous, knowledgeable services, and meeting such minimum standards as ~~we~~ FCBB may establish from time to time in the Manual or otherwise in writing. ~~You~~ Franchisee and ~~your~~ Franchisee's employees shall handle all customer complaints, refunds, and other adjustments in a manner that will not detract from the name and goodwill of ~~FIRST CHOICE~~. ~~You~~ FCBB. Franchisee shall be solely responsible for all employment decisions and functions of ~~your~~ ~~Franchisee~~ the Franchised Business and comply with all applicable laws including those related to hiring, firing, training, wage and hour requirements, record keeping, supervision, and discipline of employees.

7.11 ~~You are~~ Franchisee is permitted (but not required) to hire Associates to work in ~~your~~ Franchisee the Franchised Business. An Associate is a sales agent who will be paid by ~~you~~ Franchisee on commission for the business brokerage transactions that the Associate generates, according to the agreement established between ~~you~~ Franchisee and ~~your~~ Franchisee's Associate. Associates should be independent contractors (and not employees) with whom ~~you have~~ Franchisee has an arms' length contractual relationship. ~~You~~ Franchisee may not, however, hire ~~agents~~ Associates that conduct Mass Marketing outside of ~~your Area of Operations unless you receive our~~ Franchisee's Designated Territory unless Franchisee receives FCBB's prior written approval.

7.11.1 Under no circumstances will ~~your~~ Franchisee's Associates be deemed an employee of ~~FIRST CHOICE~~ FCBB, and ~~your~~ Franchisee's contract with each Associate must clearly state that his or her contractual relationship is with ~~you~~ Franchisee, and not ~~FIRST CHOICE~~ FCBB, and that ~~FIRST CHOICE~~ FCBB is not a party to the contract, but that it is an intended third party beneficiary of the contract with the right to enforce provisions relating to confidentiality, the use of ~~FIRST CHOICE~~ FCBB's trade secrets

and intellectual property (including the Marks), and non-competition, as well as other elements required by ~~FIRST CHOICE~~FCBB as set forth in the Manual from time to time. ~~FIRST CHOICE~~FCBB must approve any contract between ~~you~~Franchisee and ~~your~~Franchisee's Associate(s) to ensure ~~your~~Franchisee's compliance with this provision.

- 7.12 ~~You grant~~Franchisee grants ~~FCBB~~ and its agents the right to enter upon the premises of the ~~Franchise~~Franchised Business at any time for the purpose of conducting inspections. Franchisee must cooperate with ~~FIRST CHOICE~~FCBB's representatives in such inspections by rendering such assistance as they may reasonably request; and, upon notice from ~~FIRST CHOICE~~FCBB or its agents and without limiting ~~FIRST CHOICE~~FCBB's other rights under this Agreement, Franchisee must take such steps as may be necessary to correct immediately any deficiencies detected during any such inspection.
- 7.13 ~~You~~Franchisee must at all times pay ~~your~~Franchisee's distributors, lessors, contractors, suppliers, trade creditors, employees and other creditors promptly as the debts and obligations to such persons become due, and failure to do so shall constitute a breach of this Agreement. In the event ~~you~~Franchisee fail to pay any such obligations promptly as the debts to such persons or entities become due, ~~FIRST CHOICE~~FCBB will, in addition to its other remedies provided in this Agreement, have the right, at its election and without being obligated to do so, to pay such obligations and the amount or amounts paid therefor shall be paid by ~~you~~Franchisee to ~~FIRST CHOICE~~FCBB with the next succeeding payment due ~~FIRST CHOICE~~to FCBB under this Agreement together with interest at the rate of ~~one and one half percent (1.5%)~~ per month, or the maximum rate permitted by law, whichever is less, for all amounts so advanced by ~~FIRST CHOICE~~FCBB for ~~your~~Franchisee's benefit.
- 7.14 ~~You agree~~Franchisee agrees and ~~acknowledge~~acknowledges that ~~you~~Franchisees are obligated to comply with ~~FIRST CHOICE~~FCBB's on-line policy which is subject to change by ~~FIRST CHOICE~~FCBB from time to time. ~~You agree~~Franchisee agrees and ~~acknowledge~~acknowledges that individual franchisee websites are prohibited unless specifically authorized by ~~us~~FCBB in writing, and that ~~your~~Franchisee's on-line promotional strategies must comply with ~~FIRST CHOICE~~FCBB's on-line policy. ~~You~~Franchisee further ~~agree~~agrees and ~~acknowledge~~acknowledges that ~~FIRST CHOICE~~FCBB may require or proscribe ~~your~~Franchisee's use of, review and monitor all on-line content on social media sites, blogs, electronic communication and other on-line sites on which its trademarks, service marks, trade names, copyrights or any similar marks are used. ~~You agree~~Franchisee agrees to remove any usage or content that ~~FIRST CHOICE~~FCBB requires, including without limitation, content that ~~FIRST CHOICE~~FCBB deems to be scandalous, immoral or detrimental to ~~FIRST CHOICE~~FCBB's image. ~~You~~Franchisee further ~~agree~~agrees and ~~acknowledge~~acknowledges that ~~FIRST CHOICE~~FCBB may prohibit use of its trademarks, service marks, trade names, copyrights or any similar marks on any site or all sites.

8. PROPRIETARY MARKS

- 8.1 ~~We have~~FCBB has the right to use, and to license others to use, the Proprietary Marks. ~~You disclaim~~Franchisee disclaims all rights, title and interest in or to the

Proprietary Marks and any goodwill associated with the Proprietary Marks. ~~You~~ Franchisee agrees that ~~you~~ Franchisee will not, during or after the term of this Agreement, engage in any conduct directly or indirectly that would infringe upon, harm or contest ~~our~~ FCBB's rights in any of the Proprietary Marks or the goodwill associated with the Proprietary Marks, including any use of the Proprietary Marks in a derogatory, negative or other inappropriate manner in any media, including but not limited to print or electronic media.

8.2 With respect to ~~your~~ Franchisee's use of the Proprietary marks as required by this Agreement, ~~you agree~~ Franchisee agrees that:

~~8.2.1—You are~~ 8.2.1 Franchisee is required to use the Proprietary Marks for the operation of the ~~Franchise~~ Franchised Business or in advertising for the ~~Franchise~~ Franchised Business and not otherwise;

~~8.2.2—You~~ 8.2.2 Franchisee will use the Proprietary Marks only in accordance with the System and the standards and specifications attendant thereto which underlie the goodwill associated with and symbolized by the Proprietary Marks;

~~8.2.3—~~ 8.2.3 Unless otherwise authorized or required by ~~us~~ FCBB, ~~you~~ Franchisee shall operate and advertise the ~~Franchise~~ Franchised Business only under the name “First Choice Business Brokers” and shall use all Proprietary Marks without prefix or suffix or any other variation of any kind. ~~You~~ Franchisee shall not use the Proprietary Marks, or any marks, names or indicia which are or may be confusingly similar, as part of ~~your~~ Franchisee's corporate or other business or legal name, except as authorized by this Agreement;

~~8.2.4—Your~~ 8.2.4 Franchisee's right to use the Proprietary Marks is limited to such uses as are authorized under this Agreement, and any unauthorized use thereof shall constitute an infringement of ~~our~~ FCBB's rights;

~~8.2.5—You~~ 8.2.5 Franchisee shall not use the Proprietary Marks to incur any obligation or indebtedness on behalf of ~~us~~ FCBB;

~~8.2.6—~~ 8.2.6 During the Initial Term of this Agreement and any Successor Term of this Agreement, ~~you~~ Franchisee shall identify ~~yourself~~ itself (in a manner reasonably acceptable to ~~us~~ FCBB) as the owner of the ~~Franchise~~ Franchised Business in conjunction with any use of the Proprietary Marks, including, but not limited to, uses on invoices, order forms, receipts, and contracts, as well as the display of a notice in such content and form and at such conspicuous locations on the premises of the ~~Franchise~~ Franchised Business as ~~we~~ FCBB may designate in writing;

~~8.2.7—~~ 8.2.7 Without ~~our~~ FCBB's prior written approval, ~~you~~ Franchisee shall not use the Proprietary Marks as part of ~~your~~ Franchisee's corporate or other legal name, or as part of any e-mail address, website, domain name, or any other electronic media or social media (including use with any prefix, suffix, other modifying words, terms, designs, or symbols), or in any other manner connected with a website, advertisements on a website, social media site, or other similar means;

~~8.2.8~~ 8.2.8 You Franchisee may not use the words “~~First Choice~~FCBB,” “First Choice Business Brokers,” “~~FCBB~~,” or any confusingly similar words as any part of the name of your Franchisee’s corporation, LLC, or other entity, and you agreeFranchisee agrees to file such fictitious, assumed name or similar certificate as we specifyFCBB specifies pursuant to ourFCBB’s guidelines; and

~~8.2.9~~ 8.2.9 With respect to litigation involving the Proprietary Marks, the parties agree that:

- (a) You Franchisee must promptly notify usFCBB of any suspected infringement of, or any suspected unauthorized use of, the Proprietary Marks, any known challenge to the validity of the Proprietary Marks, or any known challenge to ~~FIRST CHOICE~~FCBB’s ownership of, or ourFCBB’s or your Franchisee’s right to use, the Proprietary Marks licensed hereunder. You acknowledgeFranchisee acknowledges that weFCBB shall have the right to direct and ~~control~~supervise any administrative proceeding or litigation involving the Proprietary Marks, including any settlement thereof. WeFCBB shall also have the right, but not the obligation, to take action against uses by others that may constitute infringement of the Proprietary Marks.
- (b) If you haveFranchisee has used the Proprietary Marks in accordance with this Agreement, weFCBB, in ourits sole discretion, may choose to defend youFranchisee, at ourits expense, against any third-party claim, suit, or demand involving the Proprietary Marks arising out of yourFranchisee’s use thereof. If we undertake theFCBB undertakes this defense or prosecution of any litigation relating to the Proprietary Marks, youFranchisee shall execute any and all documents and do such acts and things as may, in the opinion of ourFCBB’s counsel, be necessary to carry out such defense or prosecution, including, but not limited to, becoming a nominal party to any legal action.

8.2.10 **Publicity:** Except as may be required by law, youFranchisee may not make any press announcement regarding the subject matter of this Agreement without ourFCBB’s prior written consent.

8.2.11 **Name and Likeness:** You acknowledgeFranchisee acknowledges and agreeagrees that we haveFCBB has the right to photograph and record, whether by audio, video or otherwise, YouFranchisee and yourFranchisee’s Franchised Business, and to use yourFranchisee’s name and likeness in all forms and media for advertising, trade, or any other lawful purpose. In connection with this right, You grantFranchisee grants to usFCBB a non-exclusive, irrevocable, worldwide, royalty-free license to use, publish, display and reproduce this content in any form as described in this Section, and agreeagrees that this license shall survive the termination of this Agreement.

8.3 YouFranchisee expressly understandunderstands and acknowledgeacknowledges that:

~~8.3.1~~ 8.3.1 The Proprietary Marks are valid and serve to identify the System and those who are authorized to operate under the System;

~~8.3.2~~ 8.3.2 During the term of this Agreement and after its expiration or termination, youFranchisee shall not directly or indirectly contest the ownership, enforceability, or validity of, nor take any other action which tends to jeopardize, ~~FIRST CHOICE~~FCBB's ownership of, or ~~our~~FCBB's right to use and to license others to use, the Proprietary Marks or ~~FIRST CHOICE~~FCBB's right to grant franchises utilizing the Proprietary Marks;

~~8.3.3~~ 8.3.3 Franchisee's use of the Proprietary Marks pursuant to this Agreement does not give youFranchisee any ownership interest or other interest in or to the Proprietary Marks;

~~8.3.4~~ 8.3.4 Any and all goodwill arising from youFranchisee's use of the Proprietary Marks under the System shall inure solely and exclusively to ~~our~~FCBB's benefit, and upon expiration or termination of this Agreement, no monetary amount shall be assigned as attributable to any goodwill associated with youFranchisee's use of the System or the Proprietary Marks;

~~8.3.5~~ 8.3.5 The right and license of the Proprietary Marks granted hereunder to youFranchisee is non-exclusive, and ~~we thus have~~FCBB has and ~~retain~~retains the rights, among others: (a) to use the Proprietary Marks ~~ourselves~~itself in connection with selling products and services, including, but not limited to, the same or similar products or services to be sold by ~~your Franchisee~~the Franchised Business; (b) to grant other licenses for the Proprietary Marks; and (c) to develop and establish other systems using the Proprietary Marks, similar proprietary marks, or any other proprietary marks, and to grant licenses thereto without providing any rights therein to youFranchisee; and

~~8.3.6~~ 8.3.6 FCBB reserves the right to substitute different proprietary marks for use in identifying the System and the businesses operating thereunder if ~~we~~FCBB, in ~~our~~its sole discretion, ~~determine~~determines that substitution of different marks as Proprietary Marks will be beneficial to the System. YouFranchisee shall implement promptly any such substitution of new Proprietary Marks. ~~FIRST CHOICE~~FCBB shall bear the costs of modifying youFranchisee's signs and advertising materials to conform to ~~our~~FCBB's new Proprietary Marks, but ~~we~~FCBB shall otherwise have no obligation or liability to youFranchisee as a result of such substitution.

9. OPERATIONS MANUAL

9.1 In order to protect the reputation and goodwill of ~~FIRST CHOICE~~FCBB, and to maintain high standards of operation under the System, youFranchisee shall operate the ~~Franchisee~~Franchised Business in accordance with the standards, methods, policies, and procedures specified in the Manual, which ~~we have~~FCBB has the right to modify in ~~our~~their sole discretion.

9.2 YouFranchisee shall treat the Manual, any other manuals created for or approved for use in the operation of the ~~Franchisee~~Franchised Business, and the information contained therein, as confidential, and shall use all reasonable efforts to maintain such information as secret and confidential. YouFranchisee shall not copy, duplicate, record, or otherwise reproduce the

foregoing materials, in whole or in part, or otherwise make the same available to any unauthorized person.

9.3 The Manual shall remain ~~our~~FCBB's sole property ~~and shall be kept in a secure place on the Premises.~~

9.4 ~~You~~Franchisee shall ensure that the Manual is kept current at all times. In the event of any dispute as to the contents of the Manual, the terms of the master copy maintained by ~~us~~FCBB at ~~our~~their home office shall be controlling.

9.5 The Manual will contain mandatory and suggested specifications, standards and operating procedures that FCBB develops for the Franchised Business and information relating to Franchisee's other obligations. Any required specifications, standards and operating procedures exist to protect FCBB's interests in the System and the Marks and to create a uniform customer experience, and not to establish any control or duty to take control over those matters that are reserved to Franchisee.

10. CONFIDENTIAL INFORMATION AND DATA PRIVACY

10.1 ~~You~~Franchisee shall not, during the term of this Agreement or thereafter, communicate, divulge, or use for the benefit of any other person, partnership, association, or corporation any proprietary information contained in the Manuals or otherwise communicated to ~~you~~Franchisee in any form, and any other information, knowledge, know-how, drawings, materials, technology, equipment, marketing plans, strategic plans, methods, procedures, specifications, manuals, techniques, computer programs and systems concerning the methods of operation of the ~~Franchise~~Franchised Business, including but not limited to: (a) information regarding the customers of the ~~Franchise~~Franchised Business, including customer lists, customer names, and customer files; (b) the operating procedures of the System; (c) the economic and financial characteristics of the System and its Franchisees, including without limitation: pricing policies and schedules, profitability, earnings and losses, capital and debt structures; (d) the services and products offered to customers of the ~~Franchise~~Franchised Business; (e) materials ~~we designate~~FCBB designates as confidential; and (f) the Manual (collectively, "Confidential Information"). ~~You~~Franchisee shall divulge Confidential Information only to such of ~~your~~Franchisee's employees or independent contractors, or if ~~you are~~Franchisee is a corporation, then to such officers, directors, and shareholders with a need to know the Confidential Information in order to operate the ~~Franchise~~Franchised Business. Any and all information, knowledge, know-how, techniques, and other data that ~~we designate~~FCBB designates as confidential shall be deemed confidential for purposes of this Agreement.

10.2 At ~~our~~FCBB's request, ~~you~~Franchisee shall require ~~your~~Franchisee's Key Personnel, and any other personnel having access to any Confidential Information to execute covenants that they will maintain the confidentiality of information they receive in connection with their employment by ~~you~~Franchisee at the ~~Franchise~~Franchised Business. Such covenants shall be on ~~FIRST-CHOICE~~FCBB's then-current Confidentiality and Non-Competition Agreement, a form of which is attached to this Agreement as **Schedule 5**.

10.3 ~~You acknowledge~~Franchisee acknowledges that any failure to comply with the requirements of this Section 10 will cause ~~FIRST CHOICE~~FCBB irreparable injury, and ~~you agree~~Franchisee agrees to pay all court costs and reasonable attorneys' fees incurred by ~~FIRST CHOICE~~FCBB in obtaining specific performance of, or an injunction against violation of, the requirements of this Section 10.

10.4 Franchisee acknowledges and agrees that FCBB controls the use of customer data related to the Franchised Business. Franchisee shall only use the customer data as a processor as necessary to the Franchised Business during the term of this Agreement, unless Franchisee obtains FCBB's prior written approval. Franchisee has no right to sell, transfer, sublicense or otherwise share customer data to or with any third party, unless Franchisee obtains FCBB's prior written approval. Franchisee will comply with all directives and terms in the Manual respecting Franchisee's use of the customer data. FCBB may access customer data on the Communications and Information System and Franchisee will allow FCBB to audit Franchisee's records to confirm compliance with these provisions. Franchisee must provide to FCBB usernames and passwords to access the Communications and Information Management System. Franchisee is solely responsible for protecting customer data from cyber-attacks or unauthorized access, and Franchisee waives any claim Franchisee may have against FCBB as the direct or indirect result of such attacks or unauthorized access. Franchisee must comply with all applicable federal, state, provincial and local laws and regulations concerning the storage, handling, use and protection of customer data. In addition, Franchisee must comply with any data protection and breach response policies FCBB periodically may establish and must not use or disclose customer data in a manner that would cause FCBB to be in violation of its published privacy policy. Franchisee must notify FCBB immediately of any actual or suspected data breach or cyber-attack at or in connection with the Franchised Business and/or customer data.

10.5 Each party is an independent data controller of, or, if applicable, a business in relation to, the personal data or information relating to the other party's employees, contractors and/or executives it collects and processes and each party will comply with all applicable laws and regulations in relation to the same. The parties will enter into a separate data sharing agreement or processing agreement to the extent and as required by applicable law.

11. ACCOUNTING AND RECORDS

11.1 ~~You~~Franchisee must prepare and must preserve for at least ~~five (5)~~seven years from the dates of their preparation, complete and accurate books, records, and accounts in accordance with generally accepted accounting principles and in the form and manner prescribed by ~~us~~FCBB from time to time in the Manual or otherwise in writing. ~~You~~Franchisee must report any and all income to the ~~Franchisee~~Franchised Business that ~~FIRST CHOICE~~FCBB requires (by way of example and not limitation, lender fees, real estate fees, and closings).

11.2 All sales, state, and county or municipal sales tax collected on behalf of third parties shall be recorded by ~~you~~Franchisee in accordance with the procedures prescribed in the Manual, or on such recording system as ~~we~~FCBB may specify. This may include federal and state taxes to be withheld by ~~you~~Franchisee in reference to the sale of real estate by ~~your~~Franchisee's clients. The withholding requirements may vary based upon the residency or citizenship of ~~your~~Franchisee's client - seller.

11.3 ~~You~~Franchisee must, at ~~your~~Franchisee's expense, submit to ~~FIRST CHOICE~~FCBB in the form prescribed by ~~us~~FCBB, the following reports, financial statements, and other data:

~~11.3.1~~11.3.1 ~~You~~Franchisee must submit a monthly franchise report to accurately reflect all of ~~your~~Franchisee's Gross ~~Fees~~Revenue during the preceding calendar month (beginning on the first day of the month and ending on the last day of the month) no later than the ~~fifth~~(5th) day of the following month.

~~11.3.2~~11.3.2 ~~You~~Franchisee must provide, in a manner and format ~~we specify~~FCBB specifies, a monthly Profit and Loss Statement by the 15th of each month as to activity the prior month; and provide an Annual Profit and Loss Statement by January 15 as to activity in the prior year;

~~11.3.3~~11.3.3 Such other forms, reports, records, information, and data as ~~FIRST CHOICE~~FCBB may reasonably designate.

11.4 ~~FIRST CHOICE~~FCBB, and/or its designated agents, shall have the right, at reasonable times, to examine and copy, at ~~our~~FCBB's expense, the books, records, computer systems, computer records, accounts, and tax returns (the "Books") of the ~~Franchise.~~FIRST CHOICE~~Franchised Business.~~ FCBB shall also have the right, at any time, to have an independent audit made of the books and records of the ~~Franchise~~Franchised Business. If an inspection should reveal that any payments have been understated in any report to ~~us~~FCBB, then ~~you~~Franchisee must immediately pay to ~~FIRST CHOICE~~FCBB the amount understated upon demand, plus 18% per annum interest thereon or the highest rate permitted by law, whichever is lower. If an inspection discloses an understatement in any report of ~~two~~(2%) percent or more, ~~you~~Franchisee must, in addition to repayment of monies owed with interest, reimburse ~~us~~FCBB for any and all costs and expenses connected with the audit and/or inspection (including, but not limited to, travel, lodging, and wage expenses, and reasonable accounting and legal costs). The foregoing remedies shall be in addition to any other remedies that ~~we~~FCBB may have.

12. PROMOTION AND MARKETING

12.1 ~~FIRST CHOICE shall have the right at any time, in its sole discretion, to establish~~FCBB has established a ~~marketing~~brand fund ~~for to support~~ system-wide marketing and ~~promotion of the System~~promotional efforts (the "Brand Fund"), ~~which shall operate~~ as ~~described~~outlined in Section 12.2 below. Franchisee must, ~~during each month,~~ contribute to the Brand Fund \$250 per month (the "Brand Fund Contribution"). ~~We reserve~~ FCBB reserves the right to increase this fee by 10% per year. The Brand Fund Contribution shall be paid ~~to FIRST CHOICE~~ at the same time, and in the same manner, as set forth for the payment of Royalties as required by Section 4.2 above. If ~~you~~Franchisee own and operate in more than one ~~Area of Operations,~~youDesignated Territory, Franchisee will be required to make a Brand Fund Contribution for each ~~Area of Operations you own~~Designated Territory Franchisee owns, up to a total of five ~~(5)~~Brand Fund Contributions.

12.2 The Brand Fund shall be maintained and administered by ~~FIRST CHOICE~~FCBB or its designee, as follows:

12.2.1 ~~FIRST CHOICE~~FCBB or its designee shall direct all marketing programs, based on the decisions made by ~~our~~FCBB's franchisee-led Brand Fund Committee (the "BFC"). The BFC will provide ~~us~~FCBB with direction regarding the concepts, materials, and media used in the programs, along with their placement and allocation. While primary ~~decisions~~recommendations regarding use of the Brand Fund will be made by the BFC, ~~we retain~~FCBB retains veto power over any advertising ~~decisions~~recommendations made by the BFC. ~~We will exercise this power only in exceptional circumstances and, if we do so, we~~FCBB exercises its veto power, FCBB will give the BFC the opportunity to modify its decision or submit a new proposal. Franchisee agrees and acknowledges that the Brand Fund is intended to maximize public recognition, acceptance, and use of the System; and that ~~FIRST CHOICE~~FCBB and its designee are not obligated, in administering the Brand Fund, to make expenditures for Franchisee which are equivalent or proportionate to Franchisee's contribution, or to ensure that any particular Franchisee benefits directly or pro rata from expenditures by the Brand Fund.

12.2.2 The Brand Fund, all contributions thereto, and any earnings thereon, shall be used exclusively ~~to meet any and all costs of maintaining, administering, directing, conducting,~~in connection with the general promotion of the Marks and the System, including the cost of formulating, developing and preparing implementing advertising, marketing, direct mail, promotional and public relations ~~and/or promotional programs and materials, Websites (as such term is defined in Section 12.6) and any other activities which we believe will enhance~~campaigns; expenses related to market research and customer and franchise satisfaction surveys; the imagecost of ~~the System, including, among other things, the costs of preparing~~research and development; creative development services (including creation and modification of our design and trade dress, logos, graphics, and ~~conducting media~~ advertising ~~campaigns; direct mail advertising; marketing surveys and other public relations activities;~~and promotional items, including the cost of retiring expired or obsolete printed items and materials, photography services, and design software); organizing and hosting franchise conferences; the development and maintenance of website hosting and e-commerce programs; and the reasonable costs of administering the Brand Fund, including the cost of employing advertising ~~and/or,~~ public relations and other third party agencies to assist ~~therein; employing advertising and/or marketing professionals to assist therein; purchasing promotional items, conducting and administering visual merchandising, point of sale, and other merchandising programs;~~us and providing promotional brochures and ~~other marketing~~advertising materials ~~and services to the FIRST CHOICE~~franchised businesses ~~operated under the System. The Brand Fund may also be used to provide rebates or reimbursements to franchisees for local expenditures on products, services, or improvements, approved in advance by us, which products, services, or improvements we in our sole discretion deem will promote general public awareness and favorable support for the System,~~as well as accounting expenses and

the actual costs of salaries and fringe benefits paid to FCBB's employees engaged in administration of the Brand Fund.

- 12.2.3 You Franchisee must contribute to the Brand Fund by electronic funds transfer in accordance with ~~our~~FCBB's requirements, unless ~~we~~FCBB otherwise specify in writing. All sums paid by Franchisee to the Brand Fund shall be maintained in an account separate from the other monies of ~~FIRST CHOICE~~FCBB and shall not be used to defray any of ~~our~~FCBB's expenses, except for such reasonable costs and overhead, if any, as ~~we~~FCBB may incur in activities reasonably related to the administration, direction, and implementation of the Brand Fund and marketing programs for franchisees and the System, including, among other things, costs of personnel for creating and implementing, advertising, merchandising, promotional and marketing programs and administration of the Brand Fund. The Brand Fund and its earnings shall not otherwise inure to ~~our~~FCBB's benefit and the contributions to, and earnings of the Brand Fund are not and shall not be ~~our~~FCBB's asset. The Brand Fund may lend money and incur debt in the furtherance of its general purposes.
- 12.2.4 It is anticipated that all contributions to and earnings of the Brand Fund shall be expended for marketing and/or promotional purposes during the taxable year within which the contributions and earnings are received. If, however, excess amounts remain in the Brand Fund at the end of such taxable year, all expenditures in the following taxable year(s) shall be made first out of accumulated earnings from previous years, next out of earnings in the current year, and finally from contributions.
- 12.2.5 ~~FIRST CHOICE~~FCBB or its designee shall maintain separate bookkeeping accounts for the Brand Fund. A statement of the operations of the Brand Fund as shown on the books of ~~FIRST CHOICE~~FCBB shall be prepared annually by ~~FIRST CHOICE~~(FIRST CHOICEFCBB (FCBB shall not be obligated to have audited financial statements prepared) and the prior year's statement shall be made available for inspection by Franchisee, upon written request of Franchisee.
- 12.2.6 Although the Brand Fund is intended to be of perpetual duration, ~~FIRST CHOICE~~FCBB maintains the right to terminate the Brand Fund; provided that ~~FIRST CHOICE~~FCBB shall use any unexpended monies in the Brand Fund for marketing and/or promotional purposes for the System.
- 12.2.7 The BFC has decision-making authority concerning the use of the Brand Fund, subject to ~~our~~FCBB's ability to veto any such decision. ~~We have~~FCBB has the ability to dissolve the BFC.
- 12.3. ~~FIRST CHOICE~~FCBB may, in its sole discretion, make available to you Franchisee, from time to time, marketing plans and promotional materials, including merchandising materials, sales aids, point-of-purchase materials, special promotions, direct mail materials, and similar marketing and promotional materials.
- 12.4 You Franchisee may develop advertising materials for you Franchisee's own use, at you Franchisee's own cost. You Franchisee must ensure that all advertising and promotional

materials, signs, all forms and stationery used in connection with the Franchisee Franchised Business, products, and other items specified by ~~FIRST CHOICE~~ FCBB bear the Proprietary Marks in the form, color, location, and manner prescribed by ~~FIRST CHOICE~~ FCBB in the Manual, or otherwise in writing by ~~FIRST CHOICE~~ FCBB. ~~We~~ FCBB must approve all advertising materials (including, but not limited to collateral materials and campaigns, broadcast, print or other media) in advance of ~~your using~~ Franchisee's use of the materials. For all proposed advertising, marketing, and promotional materials that ~~we have~~ FCBB has not supplied to ~~you~~ Franchisee or previously approved, ~~you~~ Franchisee shall submit samples of such plans and materials to ~~us~~ FCBB, for ~~our~~ FCBB's review and prior written approval. If ~~you do~~ Franchisee does not receive written approval from ~~us~~ FCBB within ten ~~(10)~~ days of the date of ~~our~~ FCBB's receipt of such samples or materials, ~~we~~ FCBB shall be deemed to have approved them. ~~You acknowledge~~ Franchisee acknowledges and ~~agree~~ agrees that any and all copyright in advertising and promotional materials developed by or on behalf of ~~you~~ Franchisee shall be ~~our~~ FCBB's sole property, and ~~you agree~~ Franchisee agrees to execute such documents (and, if necessary, require ~~your~~ Franchisee's independent contractors to execute such documents) as ~~we~~ FCBB may deem reasonably necessary to give effect to this provision.

- 12.5 If ~~we~~ FCBB so ~~require, you requires,~~ Franchisee shall, at ~~your~~ Franchisee's expense, obtain listings with such Internet channels and online marketing companies that ~~we~~ FCBB specify in ~~our~~ FCBB's sole discretion.

~~12.6—You~~

12.6 As part of the Training and Kickstart Marketing Fee, FCBB will provide Franchisee with the following: (a) initial marketing set-up, including 2,000 direct mailers; and (b) a 12-month marketing plan, following the date that this Agreement is signed, including populating Franchisee's CRM with business information and drip campaigns; and (c) a 6-month plan, following the date that this Agreement is signed, provided by a designated marketing vendor including social media management, social media outreach, webinars, paid ads, SEO, and blogging. Franchisee may elect to extend certain services provided by the designated marketing vendor by 4 months for an additional \$4,300 fee paid to the designated marketing vendor.

12.7 Franchisee shall not establish a Website (as defined below), nor offer, promote, or sell any products or services, or make any use of the Proprietary Marks, through the Internet without ~~our~~ FCBB's prior written approval. As a condition to granting any such consent, ~~we~~ FCBB shall have the right to establish such requirements as ~~we deem~~ FCBB deems appropriate, including but not limited to the requirement that ~~your~~ Franchisee's only presence on the Internet shall be through a webpage established by ~~us~~ FCBB on ~~our~~ FCBB's website. Any Website shall be deemed "marketing" under this Agreement and will be subject to (among other things) ~~to our~~ FCBB's approval under Section 12.4 above. ~~(As used in this Agreement, the term "Website" means an interactive electronic document, contained in a network of computers linked by communications software. The term Website includes, but is not limited to, Internet and World Wide Web home pages, as well as social media sites.~~

~~A Website~~ FCBB will ~~be created~~ create and ~~maintained~~ maintain a Website for ~~you by us~~ Franchisee, as part of the services ~~we~~ FCBB provide in exchange for the Technology Fee

Because ~~we~~FCBB expect that each ~~FIRST CHOICE~~FCBB Business will have a strong presence in its community, ~~you~~Franchisee must establish an account with ~~each of Facebook, LinkedIn, X (formerly Twitter) and any other~~those social or networking Websites ~~we specify,~~ applications or other forms of electronic communication that FCBB specifies, and these accounts must comply with ~~our~~FCBB's guidelines including posting of content and representation of the Marks. If any objectionable content is posted to one of these accounts, ~~you~~Franchisee will have ~~12 hours~~1 day after notice from ~~us~~FCBB to remove it. If the objectionable content is not removed within this ~~12-hour~~day period, ~~we have~~FCBB has the right to terminate ~~your~~the Franchise Agreement. Any other on-line presence that ~~you~~Franchisee wish to establish must have ~~our~~FCBB's prior written consent. ~~You~~Franchisee must provide ~~us~~FCBB with all the user IDs and passwords related to each on-line account ~~you establish~~Franchisee establishes.

13. INSURANCE

- 13.1 ~~You agree~~Franchisee agrees that prior to the commencement of operations under this Agreement, ~~you~~Franchisee will obtain at ~~your~~Franchisee's expense an insurance policy or policies protecting ~~you~~Franchisee, ~~us~~FCBB, FCBB's affiliates, and ~~our~~FCBB's and its affiliates' respective officers, directors, partners, and employees against any demand or claim with respect to personal injury, death, or property damage, or any loss, liability, or expense whatsoever arising or occurring upon or in connection with the ~~Franchise~~Franchised Business, including, but not limited to comprehensive general liability insurance property and casualty insurance, vehicle insurance (for ~~your~~Franchisee's company owned vehicles) and statutory workers' compensation insurance. ~~You agree~~Franchisee agrees that ~~you~~Franchisee will maintain these policies in full force and effect during the term of this Agreement. Such policy or policies must be written by a responsible carrier or carriers acceptable to ~~us~~FCBB, must name ~~FIRST CHOICE~~FCBB as additional insured, and must provide at least the types and minimum amounts of coverage specified in this Section or in a greater amount if specified in the Manual from time to time. Unless otherwise advised in writing by ~~us~~FCBB (through the Manuals or otherwise in writing), ~~you~~Franchisee must carry general liability insurance with a minimum limit of liability in respect to bodily injury or property damage of \$1,000,000 per occurrence. For vehicles, the minimum limits of liability with respect to bodily injury or property damage shall be \$250,000 per person and \$500,000 per occurrence.
- 13.2 ~~Your~~Franchisee's obligation to obtain and maintain the policies in the amounts specified in this Agreement or in the Manual shall not be limited in any way by reason of any insurance which may be maintained by ~~us~~FCBB, nor shall ~~your~~Franchisee's performance of that obligation relieve ~~you~~Franchisee of liability under the indemnity provisions set forth in Section 20 of this Agreement.
- 13.3 All public liability and property damage policies must contain a provision, or additional insured rider or declaration, that ~~FIRST CHOICE~~FCBB shall be entitled to recover under such policies on any loss occasioned to ~~us~~FCBB or ~~our~~FCBB's officers, directors, servants, agents, or employees by reason of the negligence or intentional act or omission by ~~you~~Franchisee or ~~your~~Franchisee's officers, directors, servants, agents, or employees.

13.4 Prior to the commencement of any operations under this Agreement, and thereafter at least ~~fifteen~~-(15) days prior to the expiration of any policy, ~~you~~Franchisee must deliver to ~~FIRST CHOICE~~FCBB certificates of insurance evidencing the proper types and minimum amounts of coverage. All Certificates must expressly provide that no less than ~~fifteen~~-(15) days prior written notice must be given to ~~FIRST CHOICE~~FCBB in the event of material alteration to or cancellation of the coverage evidenced by such certificates.

14. TRANSFER OF INTEREST

14.1 All rights and duties of ~~FIRST CHOICE~~FCBB under this Agreement may be freely assigned or transferred by ~~FIRST CHOICE~~FCBB in its sole discretion and without restriction to any person or legal entity, so long as that person or legal entity agrees to assume ~~our~~FCBB's obligations hereunder.

14.2 ~~FIRST CHOICE~~FCBB has entered into this Agreement in reliance upon and in consideration of the singular personal skill, qualifications and trust and confidence that ~~we have~~FCBB has in ~~you~~Franchisee. Therefore, ~~you agree~~Franchisee agrees that ~~you~~Franchisee will not assign, transfer, give away or encumber, voluntarily or involuntarily (a "Transfer") ~~your~~Franchisee's interest in: (a) this Agreement; (b) an ownership interest in ~~you~~Franchisee (if ~~you are~~Franchisee is a legal entity); (c) the FranchiseFranchised Business; (d) the lease for the FranchiseFranchised Business; or (e) the Approved Location without the prior written consent of ~~FIRST CHOICE~~FCBB. ~~You~~Franchisee may proceed with the assignment with ~~our~~FCBB's written consent and with ~~your~~Franchisee's and ~~your~~Franchisee's assignee's compliance with the requirements of this Section 14. ~~FIRST CHOICE~~FCBB will not unreasonably withhold approval of assignments and transfers, contingent upon ~~your~~Franchisee's compliance with the conditions of this Section 14.

14.3 ~~You understand~~Franchisee understands and ~~acknowledge~~acknowledges the vital importance of ~~your~~Franchisee's performance to the market position and overall image of ~~Franchisor~~FCBB. ~~You~~Franchisee also ~~recognize~~recognizes that there are many subjective factors that comprise the process by which ~~a Franchisor~~FCBB selects a suitable franchise owner. Therefore, ~~you~~Franchisee must notify ~~FIRST CHOICE~~FCBB in writing of any proposed Transfer of any direct or indirect interest in this Agreement, in the FranchiseFranchised Business, or in all or substantially all of the assets of the FranchiseFranchised Business at least ~~thirty~~-(30) days before such Transfer is proposed to take place. ~~FIRST CHOICE~~FCBB will not unreasonably withhold its consent to any Transfer so long as ~~you comply~~Franchisee complies with the conditions set forth in this Section 14. In the event that ~~you want~~Franchisee wants to engage in a Transfer or any transaction set forth in Paragraphs 14.2 or 14.3, then ~~we have~~FCBB has the right to impose any or all of the following conditions on ~~our~~FCBB's granting approval of such Transfer or transaction:

14.3.1 The transferee (and, if the transferee is other than an individual, such owners of a beneficial interest in the transferee as ~~we~~FCBB may request) must demonstrate to ~~our~~FCBB's satisfaction that it meets ~~our~~FCBB's educational, managerial, and business standards; possesses a good moral character, business reputation, and credit rating; has the aptitude and ability to operate the FranchiseFranchised Business (as may be

evidenced by prior related business experience or otherwise), and has adequate financial resources and capital to operate the ~~Franchise~~Franchised Business;

14.3.2 All of ~~your~~Franchisee's accrued monetary obligations and all other outstanding obligations to ~~FIRST CHOICE~~FCBB and/or its affiliates must have been satisfied;

14.3.3 ~~You~~Franchisee must not be in default of any provision of this Agreement, any amendment hereof or successor hereto, or any other agreement between ~~you~~Franchisee and ~~Franchisor~~FCBB and/or its affiliates;

14.3.4 ~~You~~Franchisee must pay a Transfer fee ~~of \$10,000~~ to reimburse ~~Franchisor~~FCBB for its reasonable costs and expenses associated with the transfer, including, but not limited to, reviewing the application to transfer, training the new franchisee, legal and accounting fees, and associated costs. If the transferee is a new First Choice Business Brokers franchisee, the Transfer fee is \$15,000 and if the transferee is an existing First Choice Business, the Transfer fee is \$10,000;

14.3.5 ~~You~~Franchisee must remain liable for all of the obligations to ~~FIRST CHOICE~~FCBB, in connection with the ~~Franchise~~Franchised Business that arose prior to the effective date of the Transfer and execute any and all instruments reasonable requested by ~~FIRST CHOICE~~FCBB to evidence such liability;

~~14.3.6 Your~~14.3.6 Franchisee's transferee (or, if the transferee is a corporation, limited liability company, or other entity, the manager designated by transferee acceptable to ~~FIRST CHOICE~~FCBB) at the transferee's expense, must undergo a minimum of five (5) days of training at ~~our~~FCBB's corporate facility in Las Vegas, Nevada, or at a location designated by ~~us~~FCBB (which may be partially or completely through the Internet), prior to effectuating the Transfer; ~~you~~Franchisee or ~~your~~Franchisee's transferee must pay ~~us our~~FCBB its then-prevailing fee for attending such training, and ~~your~~Franchisee's transferee must bear its (or his or her own) travel expenses (other than lodging and meals during the training conferences).

~~14.3.7 Your~~14.3.7 Franchisee's transferee must execute the then-current form of standard franchise agreement and other ancillary agreements as ~~FIRST CHOICE~~FCBB may require for the ~~Franchise~~Franchised Business, which successor agreement shall supersede this Agreement in all respects and which may differ materially from the terms of this Agreement, including but not limited to materially higher or different fees and a materially smaller ~~Area of Operations~~. ~~However, we will not fundamentally change the nature of the franchise offering in a successor franchise agreement~~Designated Territory;

~~14.3.8 Your~~14.3.8 Franchisee's transferee (and, if the transferee is other than an individual, owners of a beneficial interest in the transferee) must enter into a written assignment, in a form satisfactory to ~~FIRST CHOICE~~FCBB, assuming and agreeing to discharge all of ~~your~~Franchisee's obligations under this Agreement; and if ~~your~~Franchisee's obligations were guaranteed by the transferor, that the transferee guarantee the performance of all such obligations in writing in a form satisfactory to ~~FIRST CHOICE~~FCBB;

~~14.3.9 You~~ 14.3.9 Franchisee's transferee (and, if the transferee is other than an individual, such owners of a beneficial interest in the transferee as FranchisorFCBB may request) execute a guarantee, indemnification, acknowledgment, and assumption of all obligations under this Agreement;

~~14.3.10 You~~ 14.3.10 Franchisee and ~~you~~Franchisee's owners (if ~~you are~~Franchisee is a legal entity) must execute ~~our~~FCBB's then-current form of general release (a copy of ~~our~~FCBB's current required form of general release is attached to this Agreement as "Schedule 3,"), of any and all claims against ~~us~~FCBB and ~~our~~FCBB's subsidiaries and affiliates, and their respective officers, directors, agents, and employees.

~~14.3.11~~ ~~You acknowledge~~ 14.3.11 Franchisee acknowledges and ~~agree~~agrees that each condition that must be met by the transferee is necessary to assure such transferee's full performance of the obligations hereunder.

14.4 ~~You~~Franchisee must not grant a security interest in this Agreement, the FranchiseFranchised Business or in any of the assets of the FranchiseFranchised Business unless the secured party agrees that in the event of any default by ~~you~~Franchisee under any documents related to the security interest, ~~FIRST CHOICE~~FCBB shall have the right and option (but not the obligation) to be substituted as obligor to the secured party and to cure any default of ~~yours~~Franchisee, and any acceleration of indebtedness due to ~~you~~Franchisee's default shall be void.

14.5 If ~~you~~Franchisee, any party holding any direct or indirect interest in this Agreement, in ~~your~~Franchisee's company, or in all or substantially all of the assets of the FranchiseFranchised Business desires to accept any bona fide offer to complete a Transfer, ~~you~~Franchisee must notify ~~FIRST CHOICE~~FCBB. FCBB will then have the right and option to purchase the seller's interest on the same terms and conditions offered by the third party. ~~Our~~FCBB's option is exercisable within ~~thirty (30)~~ days after ~~we receive~~FCBB receives from ~~you~~Franchisee written notification of the proposed deal by sending ~~you~~Franchisee written notice that ~~we intend~~FCBB intends to purchase the assets being sold on the same terms and conditions as being offered to the third party. If ~~FIRST CHOICE~~FCBB elects not to purchase the seller's interest, any material change thereafter in the terms of the offer from a third party shall constitute a new offer subject to the same rights of first refusal by ~~FIRST CHOICE~~FCBB as in the case of the third party's initial offer. In the event the consideration, terms and/or conditions offered by a third party are such that ~~FIRST CHOICE~~FCBB may not reasonably be required to furnish the same consideration, terms and/or conditions, then ~~FIRST CHOICE~~FCBB may purchase the interest proposed to be sold for the reasonable equivalent in cash. If the parties cannot agree within a reasonable time on the cash consideration, an independent appraiser shall be designated by FranchisorFCBB at FranchiseFranchisee's expense, and the appraiser's determination shall be binding.

14.6 In the event of death or legal incapacity (or, if ~~you~~Franchisee are a corporation, limited liability company, or other entity, any person with an interest in all or substantially all of the assets of the FranchiseFranchised Business), the heirs, beneficiaries, devisees, executors, administrators or ~~your~~Franchisee's other legal representatives must, within ~~one hundred twenty (120)~~ days of such event:

- 14.6.1 Apply to ~~FIRST CHOICE~~FCBB for the right to continue to operate the ~~Franchise~~Franchised Business for the duration of the term of this Agreement and any renewals hereof, which right shall be granted provided the surviving spouse, heirs or estate shall satisfy all of the then current qualifications for a purchaser of a Franchise; or
- 14.6.2 Sell, assign, transfer, or convey ~~your~~Franchisee's interest in compliance with the provisions of Section 14 of this Agreement; provided, however, in the event a proper and timely application for the right to continue to operate the ~~Franchise~~Franchised Business has been made by ~~you~~Franchisee and rejected by ~~FIRST CHOICE~~FCBB, the ~~one hundred twenty (120)~~ days to sell, assign, transfer, or convey the ~~Franchise~~Franchised Business shall be computed from the date of said rejection.
- 14.7 If the provisions of Section 14.6 have not been fulfilled within the time provided, all rights granted to ~~you~~Franchisee under this Agreement shall, at the option of ~~Franchisor~~FCBB, terminate immediately and automatically revert to ~~Franchisor~~FCBB.
- 14.8 ~~Our~~FCBB's consent to a Transfer of any interest in this Agreement, in ~~Franchise owner~~Franchisee's ownership interests or in all or substantially all of the assets of the ~~Franchise~~Franchised Business will not constitute a waiver of any claims ~~we~~FCBB may have against ~~you~~Franchisee, nor will it be deemed a waiver of ~~our~~FCBB's right to demand exact compliance with any of the terms of this Agreement by the transferor or transferee.
- 14.9 Notwithstanding the foregoing, in the event ~~you desire~~Franchisee desires to make an intra-family assignment or Transfer of the ~~Franchise~~Franchised Business, or if ~~you wish~~Franchisee wishes to make an assignment or Transfer to a corporation or LLC wholly owned by ~~you~~Franchisee, the Transfer fee set forth herein will be waived. All other terms and obligations associated with said Transfer will apply to such transfer (including the obligation to pay ~~our~~FCBB's then-current training fee).

15. DEFAULT AND TERMINATION

- 15.1 ~~You~~Franchisee shall be deemed to be in default under this Agreement, and all rights granted to ~~Franchise~~Franchisee herein shall automatically terminate without notice to ~~you~~Franchisee:
- 15.1.1 If ~~you become~~Franchisee becomes insolvent, meaning unable to pay ~~your~~Franchisee's bills in the ordinary course as they become due;
- ~~15.1.2~~15.1.2 If ~~you~~Franchisee, or the Key Personnel, in ~~our~~FCBB's sole subjective discretion, ~~fail~~fails to satisfactorily complete ~~our~~FCBB's initial training program;
- ~~15.1.3~~15.1.3 If ~~you fail~~Franchisee fails to open the ~~Franchise~~Franchised Business within the time limits provided in Section 5.2 of this Agreement;
- ~~15.1.4~~15.1.4 If ~~you~~Franchisee, at any time, ~~cease~~ceases to operate or otherwise ~~abandon~~abandons the ~~Franchise~~Franchised Business, or otherwise ~~forfeit~~forfeits the

right to do so or transact business in the legal jurisdiction where the ~~Franchise~~Franchised Business is located;

~~15.1.5~~ 15.1.5 If ~~you~~Franchisee, or any officer, director, partner, or principal of Franchisee have engaged in conduct, or are convicted of a criminal offense, that ~~FIRST CHOICE~~FCBB believes is reasonably likely to have an adverse effect on the System, the Proprietary Marks, the goodwill associated therewith, or ~~our~~FCBB's interest therein;

~~15.1.6~~ 15.1.6 If any purported assignment or Transfer of any direct or indirect interest in this Agreement, in Franchisee, or in all or substantially all of the assets of the ~~Franchise~~Franchised Business is made to any third party without ~~our~~FCBB's prior written consent, contrary to the terms of Section 14 hereof;

~~15.1.7~~ 15.1.7 If an approved Transfer is not affected within the time provided following death or mental incapacity, as required by Section 14.6 hereof;

~~15.1.8~~ 15.1.8 If ~~you fail~~Franchisee fails to comply with the covenants in Section 17.2 hereof or ~~fail~~fails to obtain execution of the covenants required under sections 10.2 or 17.7 hereof;

~~15.1.9~~ 15.1.9 If, contrary to the terms of Sections 9 or 10 hereof, ~~you disclose~~Franchisee discloses or ~~divulge~~divulges the contents of the Manual or other confidential information provided to ~~you~~Franchisee by ~~us~~FCBB;

~~15.1.10~~ 15.1.10 If ~~you~~Franchisee knowingly ~~maintain~~maintains false books or records, or submit any false reports to ~~us~~FCBB;

~~15.1.11~~ 15.1.11 If ~~you misuse~~Franchisee misuses or ~~make~~makes any unauthorized use of the Proprietary Marks or any other identifying characteristics of the System, or otherwise materially impair the goodwill associated with ~~our~~FCBB's rights therein;

~~15.1.12~~ 15.1.12 If ~~you refuse~~Franchisee refuses to permit ~~FIRST CHOICE~~FCBB, and/or its designated agents, to inspect the ~~Premises~~Authorized Location, books, records, or accounts upon demand;

~~15.1.13~~ 15.1.13 If ~~you~~Franchisee, upon receiving a notice of default under Section 15.2 hereof, ~~fail~~fails to initiate immediately a remedy to cure such default;

~~15.1.14~~ 15.1.14 If ~~you receive~~Franchisee receives from ~~FIRST CHOICE~~FCBB three ~~(3)~~ or more notices to cure a default or violation of this Agreement during any ~~twelve (12)~~ month period, whether or not the default or violation is cured after notice;

~~15.1.15~~ 15.1.15 If ~~you breach~~Franchisee breaches any material term of the Computer System User License Agreement, except for those terms relating to payment (defaults relating to payment of fees are governed by Paragraph 15.2.1 below); or

~~15.1.16~~ 15.1.16 As stated under Section 12.6, ~~you fail~~ Franchisee fails to remove objectionable content from ~~a Website~~ social media within ~~twelve (12) hours~~ one day of notice from ~~us~~ FCBB.

15.2 Except as otherwise provided in Sections 15.1 of this Agreement, ~~you~~ Franchisee will have ~~thirty (30)~~ days after ~~your~~ Franchisee's receipt from ~~FIRST CHOICE~~ FCBB of a written notice of default within which to remedy any other default under this Agreement and to provide evidence thereof to ~~FIRST CHOICE~~ FCBB. ~~You~~ Franchisee may avoid termination by immediately initiating a remedy to cure such default and curing it to ~~our~~ FCBB's satisfaction within the ~~thirty (30)~~ day period (or within such longer time period as ~~FIRST CHOICE~~ FCBB may reasonably specify), and by promptly providing proof thereof to ~~us~~ FCBB. If any such default is not cured within the specified time, or such longer period as applicable law may require, this Agreement shall terminate without further notice to ~~you~~ Franchisee, effective immediately upon the expiration of the period. ~~You~~ Franchisee will be in default pursuant to this Section 15.2 for failure substantially to comply with any of the requirements imposed by this Agreement, as it may from time to time be reasonably supplemented by the Manual, or failure to carry out the terms of the Agreement in good faith. Such defaults include, but are not limited to, the following illustrative events:

~~15.2.1~~ 15.2.1 If ~~you fail, refuse~~ Franchisee fails, refuses, or ~~neglect~~ neglects promptly to pay any monies owing to ~~FIRST CHOICE~~ FCBB, its affiliates or vendors when due, or to submit the financial or other information required by ~~FIRST CHOICE~~ FCBB under this Agreement (the time for curing such default will be 10 calendar days).

~~15.2.2~~ 15.2.2 If ~~you fail~~ Franchisee fails to operate the ~~Franchise~~ Franchised Business in strict compliance with all of the standards or procedures prescribed by ~~FIRST CHOICE~~ FCBB in this Agreement, in the Manual, or otherwise in writing, and without restricting the generality of the foregoing, if ~~you fail~~ Franchisee fails to promptly pay all ~~your~~ Franchisee's expenses incurred in the operation of the ~~Franchise~~ Franchised Business;

~~15.2.3~~ 15.2.3 Except as provided in Section 15.1.6 hereof, if ~~you fail, refuse~~ Franchisee fails, refuses, or ~~neglect~~ neglects to obtain ~~our~~ FCBB's prior written approval or consent as required by this Agreement; and/or

~~15.2.4~~ 15.2.4 If ~~you engage~~ Franchisee engages in any business or market any service or product under a name or mark which, in ~~our~~ FCBB's opinion, is confusingly similar to the Proprietary Marks.

16. OBLIGATIONS UPON TERMINATION OR EXPIRATION

Upon termination or expiration of this Agreement, all rights granted hereunder to ~~you~~ Franchisee will terminate immediately, and:

16.1 ~~You~~ Franchisee must immediately cease to operate the ~~Franchise~~ Franchised Business, and must not thereafter, directly or indirectly, represent to the public or hold ~~yourself~~ itself out as a present or former franchisee of ~~FIRST CHOICE~~ FCBB.

- 16.2 ~~You~~Franchisee must immediately and permanently cease to use, in any manner whatsoever, any confidential methods, procedures, and techniques associated with the System, the Proprietary Marks, and all other proprietary marks and distinctive forms, slogans, signs, symbols and devices associated with the System. In particular, ~~you~~Franchisee must cease to use, without limitation, the Manual and all signs, bags, advertising materials (including internet, social media, and websites), displays, stationery, collateral materials, and any other articles that display the Proprietary Marks.
- 16.3 ~~You~~Franchisee must take such action as may be necessary to cancel any trade or fictitious name registration or equivalent registration obtained by ~~you~~Franchisee which contains the mark "~~FIRST CHOICE~~FCBB" or any other Proprietary Marks, and ~~you~~Franchisee must furnish ~~FIRST CHOICE~~FCBB with evidence satisfactory to ~~us~~FCBB of compliance with this obligation within ten ~~(10)~~ days after termination or expiration of this Agreement. ~~You appoint~~ ~~FIRST CHOICE~~Franchisee appoints FCBB its true and lawful agent and attorney, for it and in its behalf to take such action, and to execute all such documents in its name and on its behalf as may be necessary, pursuant to this subsection to carry out any acts on behalf of ~~you~~Franchisee in the event of termination or expiration of this Agreement, including, but not limited to, transfer or assign to ~~FIRST CHOICE~~FCBB or to its designee or to disconnect and forward all telephone numbers, white and yellow page telephone references and advertisements, and all trade and similar name registrations and business licenses, and to cancel any interest which ~~you~~Franchisee may have had in the same. ~~You~~Franchisee must execute ~~our~~FCBB's Assignment of Telephone Numbers, Internet Addresses, and Social Media Identities, attached as **Schedule 4**, to assist ~~us~~FCBB in accomplishing this.
- 16.4 ~~You agree~~Franchisee agrees, in the event ~~you continue~~Franchisee continues to operate or subsequently begin to operate any other business, not to use any reproduction, counterfeit, copy or colorable imitation of the Proprietary Marks, either in connection with such other business or the promotion thereof, which, in ~~our~~FCBB's opinion, is likely to cause confusions, mistake, or deception, or which, in ~~our~~FCBB's opinion, is likely to dilute ~~our~~FCBB's rights in and to the Proprietary Marks. ~~You~~Franchisee further ~~agree~~agrees not to utilize any designation of origin or description or representation which, in ~~our~~FCBB's opinion, falsely suggests or represents an association or connection with ~~us~~FCBB.
- 16.5 ~~You~~Franchisee must promptly pay all sums owing to ~~FIRST CHOICE~~FCBB and/or its affiliates. In the event of termination for any default by ~~you~~Franchisee, such sums shall include all damages, costs, and expenses, including attorney's fees and disbursements, incurred by ~~FIRST CHOICE~~FCBB as a result of the default. These damages will include the Royalties ~~and any other amounts~~ which ~~FIRST CHOICE~~FCBB would have received from ~~you~~Franchisee through the end of the Initial Term if this Agreement had not been terminated prematurely. ~~Your~~Franchisee's obligation to pay all damages, costs and expenses will give rise to and remain, until paid-in-full, a lien in favor of ~~FIRST CHOICE~~FCBB against any and all of the personal property, furnishings, equipment, signs, fixtures, and inventory owned by ~~you~~Franchisee. Termination or expiration of this Agreement shall not affect, modify or discharge any claims, rights, causes of action or remedies which ~~FIRST CHOICE~~FCBB may have against ~~you~~Franchisee, whether such claims or rights arise before or after termination or expiration.

- 16.6 ~~You~~Franchisee must pay to ~~FIRST CHOICE~~FCBB all damages, costs, and expenses, including attorney's fees and disbursements, incurred by ~~us~~FCBB subsequent to the termination or expiration of this Agreement in obtaining injunctive or other relief for the enforcement of any provision of this Agreement.
- 16.7 ~~You~~Franchisee must immediately deliver to ~~FIRST CHOICE~~FCBB the Manual and all other records, correspondence, and instructions containing confidential information relating to the operation of the ~~Franchise~~Franchised Business, all of which are acknowledged to be the property of ~~FIRST CHOICE~~FCBB and must retain no copy or record of any of the foregoing.
- 16.8 ~~You~~Franchisee must comply with the covenants contained in Section 17.3 of this Agreement.
- 16.9 To secure ~~your~~Franchisee's performance under this Agreement and indebtedness for all obligations owed and sums due ~~us~~FCBB or ~~our~~FCBB's affiliates, ~~we~~FCBB shall have a lien upon, and ~~you~~Franchisee hereby grant ~~us~~FCBB a security interest in, the following collateral and any and all attachments, accessories, additions, accessions, and substitutions to or for it and the cash and non-cash proceeds derived from insurance or the disposition of such collateral: (a) all inventory, equipment, furniture, furnishings, fixtures, and supplies now leased, owned or after-acquired by ~~you~~Franchisee and the ~~Franchise~~Franchised Business, including but not limited to all inventory, equipment, furniture, furnishings, fixtures, and supplies transferred to or acquired by ~~you~~Franchisee in connection with this Agreement; (b) all accounts of ~~you~~Franchisee and/or the ~~Franchise~~Franchised Business now existing or subsequently arising, together with all interest in ~~you~~Franchisee and/or the ~~Franchise~~Franchised Business, now existing or subsequently arising, together with all chattel paper, documents, and instruments relating to such accounts; (c) all contract rights of ~~you~~Franchisee and/or the ~~Franchise~~Franchised Business, now existing or subsequently arising; (d) all general intangibles of ~~you~~Franchisee and/or the ~~Franchise~~Franchised Business, now owned or existing, or after-acquired or subsequently arising; (e) all of ~~your~~Franchisee's and/or the ~~Franchise's~~Franchised Business's interests in the real estate where the Franchised Business is located; and (f) all improvements to that real estate. ~~You hereby authorize us to file and record financing statements, financing statement amendments, continuation financing statements, fixture filings and other documents that we deem necessary to evidence, perfect and continue the priority of security interests in and to these assets. You also agree to execute and deliver any such documents to us upon our request.~~
- 16.10 The provisions of this Section 16, as well as Sections 10, 14, 17, 20, and 25 shall survive the termination or expiration of this Agreement.

17. ADDITIONAL COVENANTS

- 17.1 ~~You covenant~~Franchisee covenants that during the term of this Agreement or any renewals thereof, except as otherwise approved in writing by ~~us~~FCBB, ~~you~~Franchisee (individually or as an entity) must use ~~your~~Franchisee's best efforts in guiding the management and operation of the ~~Franchise~~Franchised Business, and in recommending, promoting and encouraging patronage of all franchised units operating under the System.

- 17.2 ~~You~~Franchisee specifically ~~acknowledge~~acknowledges that, pursuant to this Agreement, ~~you~~Franchisee will receive valuable, specialized training and confidential information, including, but not limited to, information regarding the operational sales, promotional, and marketing methods and techniques used under the System in the operation of the ~~Franchise.~~Franchised Business. ~~You covenant~~Franchisee covenants that during the term of this Agreement, ~~in the United States,~~ except as otherwise approved in writing by ~~FIRST CHOICE,~~ ~~you~~FCBB, Franchisee will not, directly or indirectly:
- 17.2.1 Divert or attempt to divert any present or prospective business or customer of the ~~Franchise~~Franchised Business or any ~~FIRST CHOICE~~FCBB franchise to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Proprietary Marks and the System; or
- 17.2.3 Own, maintain, operate, engage in, be employed by, provide any assistance to, or have any interest in (as owner or otherwise) any business that offers products or services which are the same as or similar to the products and services being offered by ~~FIRST CHOICE~~FCBB under the System.
- 17.3 ~~You covenant~~Franchisee covenants that, except as otherwise approved in writing by ~~FIRST CHOICE,~~ ~~you~~FCBB, Franchisee will not, directly or indirectly, in ~~your Area of Operations~~Franchisee's Designated Territory, within 20 miles of ~~your~~Franchisee's Approved Location, for a two (2) year period beginning upon the expiration or termination (including a sale or transfer of ~~your~~Franchisee's rights under this Agreement or ~~your~~Franchisee's interest in it) of this Agreement offer business brokerage services. ~~You~~Franchisee also ~~agree~~agrees to this same prohibition for the same time period as to the ~~Area of Operations~~Designated Territory and a 20 mile radius of the Approved Location of other ~~FIRST CHOICE~~FCBB franchisees at the time of ~~your~~Franchisee's expiration or termination.
- 17.4 Sections 17.2 and 17.3 shall not apply to ownership by ~~you~~Franchisee of less than five (5%) percent beneficial interest in the outstanding equity securities of any corporation which has securities registered under the Securities and Exchange Act of 1934 ("publicly- held corporation").
- 17.5 ~~You understand~~Franchisee understands and ~~acknowledge~~acknowledges that ~~we~~FCBB shall have the right, in ~~our~~FCBB's sole discretion, to reduce the scope of any covenant set forth in Sections 17.2 or 17.3, or any portion thereof, without ~~your~~Franchisee's consent effective immediately upon receipt by ~~you~~Franchisee of written notice thereof; and ~~you agree~~Franchisee agrees that ~~you~~Franchisee must comply forthwith with any covenants as so modified, which must be fully enforceable notwithstanding the provisions of Section 23 hereof.
- 17.6 ~~You~~Franchisee expressly ~~agree~~agrees that the existence of any claims ~~you~~Franchisee may have against ~~FIRST CHOICE~~FCBB, whether or not arising from this Agreement, will not constitute a defense to the enforcement by ~~FIRST CHOICE~~FCBB of the covenants in this Section 17. ~~You agree~~Franchisee agrees to pay all costs and expenses (including reasonable attorneys' fees) incurred by ~~FIRST CHOICE~~FCBB in connection with the enforcement of this Section 17.

17.7 At ~~our~~FCBB's request, ~~you~~Franchisee must obtain and furnish to ~~FIRST CHOICE~~FCBB executed covenants, in ~~our~~FCBB's then-current form of Confidentiality and Non-Competition Agreement from any or all of the following persons: (a) all managers and any other personnel employed by ~~you~~Franchisee who have received or will receive training from ~~us~~FCBB; and (b) all officers, directors, partners, principals, lenders, and other holders of a beneficial interest of five percent (5%) or more of ~~your~~Franchisee's securities or equity interests, and of any corporation or other entity directly or indirectly controlling, controlled by, or under common control with ~~you~~Franchisee. ~~our~~FCBB's current form of Confidentiality and Non-Competition Agreement is attached hereto as **Schedule 5**.

18. CORPORATE OR ENTITY FRANCHISEE

18.1—~~You~~ Franchisee and each of ~~your~~Franchisee's owners, officers, directors, shareholders, members, principals and/or partners (the "**Owners**") warrants and agrees that the Statement of Ownership (**Schedule 6** to this Agreement) is current, complete and accurate. ~~You agree~~Franchisee agrees that updates to Schedule 6 attached hereto will be furnished promptly to ~~FIRST CHOICE~~FCBB, so that Schedule 6 (as so revised and signed by ~~you~~Franchisee) is at all times current, complete and accurate. Each of ~~your~~Franchisee's **Owners** will be an individual acting in his individual capacity, unless ~~we~~FCBB waive this requirement.

18.2 If ~~you are~~Franchisee is, or at any time become, a business corporation, limited liability company, or other legal entity, ~~you~~Franchisee and each of ~~your~~Franchisee's Owners represents, warrants and agrees that: (a) Franchisee is duly organized and validly existing under the laws of the state of its organization; (b) Franchisee has the authority to execute and deliver ~~the Franchise~~this Agreement and all related agreements and to perform its obligations under all such agreements; (c) the articles of incorporation, articles of organization, or other organizational documents recite that the issuance, transfer or pledge of any direct or indirect legal or beneficial ownership interest in Franchisee is restricted by the terms of ~~the Franchise~~this Agreement; and (d) all certificates representing direct or indirect legal or beneficial ownership interests now or hereafter issued bear a legend in conformity with applicable law reciting or referring to such restrictions.

18.3 Any Owner listed on Schedule 6 must sign the "Guaranty, Indemnification, and Acknowledgement," attached hereto as **Schedule 2** as a guarantor. In addition, any person or entity that is an Owner of Franchisee, or at any time becomes an Owner of Franchisee, is a personal guarantor and must execute Schedule 2 as a condition of becoming an Owner.

18.4 ~~You~~Franchisee must provide ~~FIRST CHOICE~~FCBB with copies of ~~your~~Franchisee's Operating Agreement, Articles of Incorporation, Bylaws, shareholder agreements, membership agreements, and other governing documents, and any amendments thereto, including the resolution of the Board of Directors authorizing entry into this Agreement.

19. TAXES, PERMITS, LICENSES AND INDEBTEDNESS

19.1 ~~You~~Franchisee must promptly pay, when due, all taxes levied or assessed, including, but not limited to, environmental and sales taxes and all accounts and other

indebtedness of every kind incurred by youFranchisee in the operation of the FranchiseFranchised Business.

- 19.2 YouFranchisee must comply with all federal, state, municipal and local laws, rules and regulations, and must timely obtain any and all permits, certificates, or licenses necessary for the full and proper conduct of the FranchiseFranchised Business, including, but not limited to, licenses to do business, and trade or fictitious name registrations. **Specifically, youFranchisee and all employees, sales agents employed or contracted by youFranchisee must maintain all necessary licenses required to operate as a business brokerage or to operate as a business broker, as applicable, as required by yourFranchisee's state's laws. ~~You are~~Franchisee is solely responsible for determining which laws will apply to ~~your Franchise~~the Franchised Business.**
- 19.3 YouFranchisee must immediately notify ~~FIRST CHOICE~~FCBB, in writing, of the commencement of any action, suit, or proceeding, and of the issuance of any order, writ, injunction, award, or decree of any court, agency or other governmental instrumentality, which may adversely affect the operation or financial condition of the FranchiseFranchised Business.

20. INDEPENDENT CONTRACTOR AND INDEMNIFICATION

- 20.1 It is understood and agreed by the parties that this Agreement does not create a fiduciary relationship between them, that youFranchisee must be an independent contractor, and that nothing in this Agreement is intended to constitute either party as agent, legal representative, subsidiary, joint venture, partner, employee, or servant of the other for any purpose whatsoever. YouFranchisee must comply with the provisions of Section 7.12 hereof and ensure that yourFranchisee's Associates do not consider themselves ~~our~~FCBB's agent, legal representative, subsidiary, joint venture, partner, employee, or servant.
- 20.2 During the term of this Agreement youFranchisee must hold yourselfitself out to the public as an independent contractor operating the FranchiseFranchised Business as required by this Agreement with ~~FIRST CHOICE~~. ~~You agree~~FCBB. Franchisee agrees to take such action as may be necessary to do so, including, but not limited to, advising suppliers and customers of yourFranchisee's independent ownership of the FranchiseFranchised Business. All of yourFranchisee's business forms, business cards, stationery, and advertisements must clearly state that the FranchiseFranchised Business is independently owned and operated. In addition, the PremisesAuthorized Location must display a clear sign, in a conspicuous location, stating that the FranchiseFranchised Business is independently owned and operated.
- 20.3 Nothing in this Agreement authorizes youFranchisee to make any contract, agreement, warranty, or representation on ~~our~~FCBB's behalf, or to incur any debt or other obligation in ~~our~~FCBB's name, and ~~we~~FCBB shall in no event assume liability for, or be deemed liable hereunder as a result of, any such action; nor shall ~~we~~FCBB be liable by reason of any act or omission by youFranchisee in yourFranchisee's operation of the business franchised hereunder or for any claim or judgment arising therefrom against Franchisee or ~~us~~FCBB.

20.4 ~~You~~Franchisee must, during the Term and after the termination or expiration of this Agreement, indemnify and defend ~~FIRST CHOICE~~FCBB, its affiliates and their respective officers, directors, managers, members, and employees, and hold them harmless against all claims, demands, causes of action, lawsuits, disputes, controversies, investigations or administrative proceedings (collectively, "Claims") and resulting losses, damages (including punitive damages), costs, suits, judgments, penalties, expenses (including reasonable attorneys' fees and amounts paid in settlement or compromise) and liabilities of any kind, whether or not ultimately determined to be meritorious (and including damages suffered by Franchisee or any of its property) (collectively, "Damages") for which they are held liable, or which they incur (including travel, investigation and living expenses of employees and witness fees) in any Claim as a result of or arising out of:

~~(a)~~

(a) the operation of the Franchised Business

(b) a breach by Franchisee of this Agreement, or any other agreement between the parties, or any breach of a lease or other instrument by which the right to occupy the Approved Location of the ~~Franchise~~Franchised Business is held;

(bc) any injury to, or loss of property of, any person in, or on, the Approved Location of the ~~Franchise~~Franchised Business, the Approved Records Location, or any other premises used by Franchisee to operate the ~~Franchise~~Franchised Business;

(ed) Franchisee's taxes, liabilities, costs or expenses of its ~~Franchised Business~~Franchise;

(de) any negligent or willful act or omission of Franchisee, its Owners, officers, directors, managers, members, partners, employees, agents, servants, contractors or others for whom it is, in law, responsible;

(ef) any violation of a legal requirement imposing requirements or prohibitions on Franchisee in the operation of the ~~Franchise~~Franchised Business; and

(fg) any advertising or promotional material distributed, broadcast or in any way disseminated by Franchisee, or on its behalf, unless such material has been produced, or approved in writing, by ~~FIRST CHOICE~~FCBB.

20.5 Franchisee must defend ~~FIRST CHOICE~~FCBB against all Claims identified within the scope of Paragraph 20.4, provided that upon notice to Franchisee, ~~FIRST CHOICE~~FCBB, in its discretion, may use its own counsel and may control such defense of any claims against ~~FIRST CHOICE~~FCBB, but at Franchisee's cost.

21. APPROVALS AND WAIVERS

21.1 Whenever this Agreement requires the prior approval or consent of ~~FIRST CHOICE,~~ ~~you~~FCBB, Franchisee must make a timely written request to ~~us~~FCBB, and such approval or consent must be obtained in writing. ~~FIRST CHOICE~~FCBB shall provide the approval or consent in a timely manner, or within the time specified in this Agreement.

- 21.2 ~~FIRST CHOICE~~FCBB makes no warranties or guarantees upon which youFranchisee may rely, and assumes no liability or obligation to youFranchisee, by providing any waiver, approval, consent, or suggestion to youFranchisee in connection with this Agreement, or by reason of any neglect, delay, or denial of any request therefore.
- 21.3 No failure of ~~FIRST CHOICE~~FCBB to exercise any power reserved to it by this Agreement, or to insist upon strict compliance by youFranchisee with any obligation or condition hereunder, and no custom or practice of the parties at variance with the terms hereof, shall constitute a waiver of ~~our~~FCBB's right to demand exact compliance with any of the terms hereof. Waiver by ~~FIRST CHOICE~~FCBB of any particular default by youFranchisee shall not affect or impair ~~our~~FCBB's rights with respect to any subsequent default by youFranchisee, nor shall any delay, forbearance, or omission of ~~FIRST CHOICE~~FCBB to exercise any power or right arising out of any breach or default by youFranchisee of any of the terms, provisions, or covenants hereof, affect or impair ~~our~~FCBB's right to exercise the same, nor shall such constitute a waiver by ~~FIRST CHOICE~~FCBB of any right hereunder, or the right to declare any subsequent breach or default and to terminate this Agreement prior to the expiration of its term. Subsequent acceptance by ~~FIRST CHOICE~~FCBB of any payments due to it hereunder shall not be deemed to be a waiver by ~~FIRST CHOICE~~FCBB of any preceding breach by youFranchisee of any terms, covenants, or conditions of this Agreement.

22. NOTICES

Any and all notices required or permitted under this Agreement must be in writing and must be personally delivered or sent by tracked delivery to the respective parties at the addresses listed in this Agreement, or any subsequent address of record. ~~We~~FCBB may also send notice to youFranchisee via email.

Any notice by means which affords the sender evidence of delivery or attempted delivery shall be deemed to have been given and received at the date and time of receipt or attempted delivery, provided, however, if delivery or attempted delivery is on a holiday or weekend, delivery shall be deemed to have been given and received on the next business day.

23. ENTIRE AGREEMENT

This Agreement and all exhibits to this Agreement constitute the entire agreement between the parties and supersede any and all prior negotiations, understandings, representations, and agreements. Nothing in this or in any related agreement, however, is intended to disclaim the representations ~~we~~FCBB made in the franchise disclosure document that ~~we~~FCBB furnished to youFranchisee.

24. SEVERABILITY AND CONSTRUCTION

- 24.1 If, for any reason, any portion of this Agreement is deemed invalid, it shall be deemed severed from the Agreement and the rest shall be enforceable.
- 24.2 Any provision of this Agreement that by its nature imposes obligations beyond the expiration or termination of this Agreement ~~survives~~survives such expiration or termination.

24.3 Except as expressly provided to the contrary herein, nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or legal entity other than ~~you, FIRST CHOICE~~ Franchisee, FCBB, their officers, directors, and employees, and such other successors and assigns as may be contemplated by Section 14 hereof, any rights or remedies under or by reason of this Agreement.

24.5 This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, but such counterparts together shall constitute one and the same instrument.

25. DISPUTE RESOLUTION

25.1 **Choice of Law.** This Agreement is effective upon its acceptance in Nevada by ~~our~~ FCBB's authorized officer. Except as to claims governed by federal law, Nevada law governs all claims that in any way relate to or arise out of this Agreement or any of the dealings of the parties ("Claims"). However, no laws regulating the sale of franchises or governing the relationship between ~~franchisor~~ FCBB and franchisee shall apply unless the jurisdictional requirements of such laws are met independently of this paragraph.

25.2 **Jurisdiction and Venue.** ~~You~~ Franchisee and ~~we~~ FCBB agree that venue and jurisdiction for any Claims shall be proper solely in the state and federal court nearest to ~~our~~ FCBB's corporate headquarters, presently located in Las Vegas, Nevada.

25.3 **Jury Waiver.** In any trial between any of the parties as to any Claims, ~~you~~ Franchisee and ~~we~~ FCBB agree to waive ~~our~~ FCBB's rights to a jury trial and instead have such action tried by a judge.

25.4 **Class Action Waiver.** ~~You agree~~ Franchisee agrees to bring any Claims, if at all, individually and ~~you~~ Franchisee shall not join such claim with claims of any other person or entity or bring, join or participate in a class action against ~~us~~ FCBB.

25.5 **Punitive Damages Waiver.** As to any Claims, ~~you~~ Franchisee and ~~we agree~~ FCBB agrees to waive ~~our~~ FCBB's rights, if any, to seek or recover punitive damages.

25.6 **Limitation of Actions.** ~~You agree~~ Franchisee agrees to bring any Claims against ~~us~~ FCBB, if at all, within one ~~(1)~~ year of the occurrence of the facts giving rise to such Claims, and that any action not brought within this period shall be barred as a claim, counterclaim, defense, or set-off.

- 25.7 **Prior Notice of Claims.** As a condition precedent to commencing an action for a Claim, ~~you~~Franchisee must notify ~~us~~FCBB within ~~thirty (30)~~ days after the occurrence of the violation or breach, and failure to timely give such notice shall preclude any claim for damages.
- 25.8 **Internal Dispute Resolution.** ~~You~~Franchisee must first bring any Claim to ~~our~~FCBB's CEO, after providing notice as set forth in Section 25.7 above. ~~You~~Franchisee must exhaust this internal dispute resolution procedure before ~~you~~Franchisee may bring ~~your~~its Claim before a third party.
- 25.9 **Mediation.** Before ~~you~~Franchisee may bring any Claim against ~~us~~FCBB in court, ~~you~~agree~~Franchisee~~ agrees to try for a period of 60 days to mediate such claim before a mutually agreed to mediator in the city or county where ~~our~~FCBB's headquarters are located. If ~~we~~Franchisee and FCBB cannot mutually agree on a mediator, ~~you~~Franchisee and ~~we~~FCBB agree to use the mediation services of the American Arbitration Association ("AAA"); and split any AAA and mediator fees equally.
- 25.11 **Waiver of bond.** ~~You agree~~Franchisee agrees that if ~~we are~~FCBB is forced to bring suit to enforce any provision of this Agreement, ~~you agree~~Franchisee agrees to waive any requirement that ~~we~~FCBB post bond to obtain a temporary, preliminary, or permanent injunction to enforce these duties.
- 25.12 **Third Party Beneficiaries.** ~~Our~~FCBB's officers, directors, members, shareholders, agents, and employees are express third party beneficiaries of the terms of the Dispute Resolution provisions contained herein.
- 25.13 **Reimbursement of Costs.** If ~~we are~~FCBB is the substantially prevailing party as to any Claims, ~~you~~agree~~Franchisee~~ agrees to reimburse ~~our~~FCBB's costs and attorney fees incurred in pursuing or defending the Claims.

26. FORCE MAJEURE

Neither party shall be responsible to the other for non-performance or delay in performance occasioned by causes beyond its control, including without limiting the generality of the foregoing: (a) acts of God; (b) acts of war, terrorism, or insurrection; (c) strikes, lockouts, labor actions, boycotts, floods, fires, hurricanes, tornadoes, and/or other casualties; and/or (d) the inability of ~~Franchisor~~FCBB and/or its affiliates or suppliers to manufacture, purchase, and/or cause delivery of any products used in the operation of the ~~Franchise~~Franchised Business.

27. YOUR ACKNOWLEDGEMENTS

27.1 ~~You acknowledge~~Franchisee acknowledges that ~~FIRST CHOICE~~FCBB, or its agent, has provided ~~you~~Franchisee with its Franchise Disclosure Document, a complete copy of this Agreement, the schedules hereto, and agreements relating thereto, if any, at least fourteen (14) calendar days prior to the date on which ~~you~~Franchisee execute the Agreement.

Initial

27.2 ~~We~~FCBB will not, because of this Agreement or by virtue of any approvals, advice or services provided to ~~you~~Franchisee, be liable to any person or entity that is not a party to this Agreement. ~~You understand~~Franchisee understands that ~~you are~~Franchisee is not a third-party beneficiary of any other franchise agreement between ~~us~~FCBB and other ~~FIRST CHOICE~~FCBB franchisees, and that ~~you have~~Franchisee has no independent right to enforce the terms of, or require performance under, any other franchise agreement. ~~You~~Franchisee further ~~acknowledge~~acknowledges that ~~you are~~Franchisee is aware of the fact that other present or future ~~FIRST CHOICE~~FCBB franchisees may operate under different forms of agreement(s), and consequently that ~~our~~FCBB's obligations and rights for other franchisees may differ materially from ~~yours~~Franchisee in certain circumstances.

Initial

27.6 ~~You represent~~Franchisee represents and ~~warrant~~warrants to ~~us~~FCBB that all statements, documents, materials, and information submitted to ~~us~~FCBB, including the application for the rights granted by this Agreement, are true, correct and complete in all material respects, and there have been no material omissions or misrepresentations. ~~You agree~~Franchisee agrees to promptly advise ~~us~~FCBB of any material change in the information or statements submitted to ~~us~~FCBB. ~~You acknowledge~~Franchisee acknowledges and ~~understand~~understands that ~~we~~FCBB has entered into this Agreement in reliance on the statements and information submitted to ~~us~~FCBB by ~~you~~Franchisee, and that any material breach, inaccuracy, misrepresentation, or omission is grounds for ~~us~~FCBB to terminate this Agreement.

Initial

28. TIME OF ESSENCE AND INCORPORATION BY REFERENCE

~~28.1~~ 28.1 Time shall be of the essence for all purposes of this ~~Franchise~~ Agreement.

28.2 The parties acknowledge that all exhibits, addenda, schedules and riders attached to this Agreement are a part of it and fully incorporated into it.

INTENDING TO BE LEGALLY BOUND, the parties hereto have duly executed this Agreement of the date first above written.

FRANCHISEE

By: _____
Name: _____
Title: _____

~~FIRST CHOICE BUSINESS BROKERS, INC.~~

By: _____
Name: _____ DATE
Title: _____

FRANCHISEE

By: _____
Name: _____
Title: _____

FCBB BUSINESS BROKERS, INC.

By: _____
Name: _____ DATE
Title: _____

SCHEDULE 1

Approved Territory by Zip Codes:

Map:

SCHEDULE 2

GUARANTY, INDEMNIFICATION AND ACKNOWLEDGEMENT

As an inducement to FIRST CHOICE to execute the franchise agreement (the "Agreement") between FIRST CHOICE ("Franchisor" or "We") and

("Franchisee" or "You"), dated _____, each of the undersigned, jointly and severally, hereby unconditionally guarantees to ~~us~~FCBB and our successors and assigns the Franchisee named herein will perform during the term of this Agreement each and every covenant, payment, agreement, undertaking and obligation on your part contained and set forth in this Agreement.

Upon demand by FIRST CHOICE, the undersigned will immediately make each payment required under the Agreement. The undersigned hereby waives any right to require FIRST CHOICE to: (a) proceed against the franchise business for any payment required under the Agreement; (b) proceed against or exhaust any security from the franchise business or you; or (c) pursue or exhaust any remedy, including any legal or equitable relief, against you. Without affecting the obligations of the undersigned, under this Guaranty, FIRST CHOICE may, without notice to the undersigned, extend, modify, or release any indebtedness or obligation of yours, or settle, adjust, or compromise any claims against you. The undersigned waives notice of amendment of the Agreement and notice of demand for payment by FIRST CHOICE, and agree to be bound by any, and all such amendments and changes to the Agreement.

The undersigned hereby agree to defend, indemnify, and hold FIRST CHOICE harmless against any and all losses, damages, liabilities, costs, and expenses (including, but not limited to, reasonable attorneys' fees, reasonable costs of investigation, court costs, fees, and expenses) resulting from, consisting of, or arising out of or in connection with any failure by you to perform any obligation under the Agreement, any amendment thereto, or any other agreement executed by you referred to therein, and/or due to any act or omission of the ~~Franchise~~Franchised Business or you.

The undersigned hereby acknowledge and agree to be personally and individually bound by all of the covenants and non-disclosure provisions contained in the Agreement, including but not limited to those contained in Sections 10 and 17, to the same extent as and for the same period of time as you are required to comply with and abide by such covenants and provisions, except to the extent otherwise required by the Agreement. These obligations of the undersigned shall survive any expiration or termination of the Agreement or this Guaranty.

This Guaranty shall terminate upon the termination or expiration of the Agreement, except that all obligations and liabilities of the undersigned which arose from events that occurred on or before the effective date of such termination, shall remain in full force and effect until satisfied or discharged by the undersigned, and all covenants which by their terms continue in force after the expiration or termination of the Agreement shall remain in force according their terms. Upon the death of an individual guarantor, the estate of such guarantor shall be bound by this Guaranty, but only for defaults and obligations hereunder existing at the time of death; and the obligations of the other guarantors will continue in full force and effect.

Unless specifically stated otherwise, the terms used in this Guaranty shall have the same meaning as in the Agreement, and shall be interpreted and construed in accordance with Section 25 of the Agreement. This Guaranty shall be interpreted and construed under the laws of the State of Nevada.

Any and all notices required or permitted under this Guaranty shall be in writing and shall be personally delivered, sent by registered mail, transmitted by telecommunications equipment, as elected by the party giving notice, or sent by other means which afford the sender evidence of delivery or attempted delivery, to the respective parties at the addresses set forth in the Agreement unless and until a different address has been designated by written notice to the other party.

If more than one person has executed the Guaranty, the term "the undersigned," as used herein shall refer to each such person, and the liability of each of the undersigned hereunder shall be joint and several and primary.

INTENDING TO BE LEGALLY BOUND, the parties hereto have duly executed this Guaranty, Indemnification and Acknowledgment of the date first above written.

FRANCHISEE

By: _____
Name: _____
Title: _____

~~FIRST CHOICE BUSINESS BROKERS, INC.~~

By: _____
Name: _____ **DATE**
Title: _____

FRANCHISEE

By: _____
Name: _____
Title: _____

FIRST CHOICE BUSINESS BROKERS, INC.

By: _____
Name: _____ DATE _____
Title: _____

SCHEDULE 3

COMPUTER SYSTEM USER LICENSE AGREEMENT

1. License Grant

Subject to the terms and conditions of this Agreement (“Agreement” or “License Agreement”), First Choice Business Brokers, Inc. (licensor referred to as “we”, “us” or “our”) grant Licensee (referred to as “you”) a non-exclusive, revocable, limited license, to use the First Choice Business Brokers, Inc. Computer System for all commercial purposes associated with your business. Our agreement to provide you with the services addressed in this License Agreement is subject to and based on your having a valid franchise agreement with ~~us~~FCBB (the “Franchise Agreement”). You authorize FIRST CHOICE BUSINESS BROKERS, INC. to retrieve, use and rely upon the data collected by (or stored in) the Computer System (referred to as “system” or “application” or “Application”) in order to determine the amount of royalties or other payments owed by you, as applicable. The amount of royalties to be collected from you as well as the frequency of collection of such royalties are defined within your FIRST CHOICE Franchise Agreement, as applicable.

2. Technology Fee

In consideration of our granting to you the right to use our Application and for our provision of certain website-related services to you, you agree to pay us a monthly Technology Fee of \$350 per month plus \$145 per month per Agent that you have, to use the Computer System. This fee begins ~~60 days after~~when you ~~sign the Franchise Agreement~~start operating your business. You must pay this fee monthly in advance by remitting it to us at the start of each month. We have the right to increase ~~the monthly~~this fee ~~for use of the Computer System~~ annually, ~~except~~provided that ~~no such increase will exceed a total of 10% of the monthly fee charged during the previous year~~the Technology Fee will not be more than our actual costs to provide the services covered by the Technology Fee plus no more than 10% to cover overhead and administrative expenses.

3. Term

The term of this License Agreement will be concurrent with the Term of the Franchise Agreement. In the event that your FIRST CHOICE Franchise Agreement is terminated by ~~us~~FCBB or you in any other manner lose your right to operate the FIRST CHOICE franchise licensed thereunder, this License Agreement will also terminate automatically, and you will have no further rights to use the Application.

4. License Conditions

You may not rent, sell, lease, sublicense, distribute, assign, copy, or in any way transfer any Applications or use any Applications for the benefit of any third party through any outsourcing or time-sharing arrangement or through the operation of any service bureau. You may not modify, reverse-engineer, decompile, disassemble, or otherwise discover the Application, or attempt to do so for any reason. Further, you may not access, create or modify our source code in any way. You do not have the right to and may not create derivative works of the Application. All modifications or enhancements to the Applications remain the sole property of FIRST CHOICE.

Without limiting any other remedy available to us, [weFCBB](#) may suspend or terminate this Agreement and your access to the Applications or our services under this Agreement if [weFCBB](#) have reasonable cause to believe that you have failed to comply with your obligations under this Agreement or that you have failed to comply with your obligations under your Franchise Agreement with us, as applicable. Upon termination, cancellation, suspension or expiration of this Agreement for any reason and by either party, you agree to cease all use of the Applications and our services. Except as otherwise provided in this Agreement, you shall not thereby be entitled to any refund or credit.

We reserve the right to add additional features or functions to the existing Applications. [WeFCBB](#) may require the updating of the Application when [weFCBB](#) release a new version of the Application, or when [weFCBB](#) make new features available. This update may occur automatically or through other means and may occur all at once or over multiple sessions. You understand that [weFCBB](#) may require your review and acceptance of our then-current privacy policy and/or end user license agreement before you will be permitted a limited license for any subsequent versions of our Application.

5. Ownership

You acknowledge and agree that the Application is licensed, not sold to you by FIRST CHOICE. You acknowledge that the Application, including all code, content, protocols, software, and documentation provided to you by FIRST CHOICE in conjunction with the Application or our services are our property or the property of FIRST CHOICE, software developers or licensors, and are protected by U.S. and international copyright, trademarks, patents and other proprietary rights and laws relating to Intellectual Property Rights. "Intellectual Property Rights" means, collectively, rights under patent, trademark, copyright and trade secret laws, and any other intellectual property or proprietary rights recognized in any country or jurisdiction worldwide, including, without limitation, moral or similar rights. You may not delete, alter, or remove any copyright, trademark, or other proprietary rights notice [weFCBB](#) have placed on any Application. All rights not expressly granted hereunder are expressly reserved to FIRST CHOICE and FIRST CHOICE's licensors. FIRST CHOICE, BUSINESS BROKERS® and other marks and logos are trademarks owned by and/or applied for by First Choice Business Brokers, Inc., All Rights Reserved.

6. Content and Infringement

You understand that all content, including, without limitation all data, links, articles, search results, graphic or video messages and all information, text, software, sound, graphics or other materials ("Content") made available or accessible through the Applications or our services, whether publicly available or privately transmitted, is the sole responsibility of the entity from whom it originated. You agree to accept all risks associated with the use of any Content, including any reliance on the accuracy or completeness of such Content. Under no circumstances will FIRST CHOICE be liable in any way for any Content, including, but not limited to, for any errors or omissions in any Content, or for loss or damage of any kind incurred as a result of the use of any Content posted or transmitted via the Application.

You understand, acknowledge and agree that the Application includes software that allows [usFCBB](#) to distribute updates and fixes, and to shut down, monitor and modify the Application, and you hereby authorize [usFCBB](#) to do the same. Such updates will occur only upon prior notice to you, except for the limited case where notice is not possible due to technical problems or an emergency that requires

~~us~~FCBB to update the application in order to maintain existing functionality or to comply with the law. All such updates shall be governed by and made in compliance with this Agreement.

7. Access and Interference; Passwords

You agree that you will not use any robot, spider, other automatic or manual device or process to interfere or attempt to interfere with the proper working of any of our Applications, services or content, except to remove our Applications from a computer of which you are an owner or authorized user. You may not violate or attempt to violate the security of our services. ~~We~~FCBB reserve the right to investigate occurrences which may involve such violations, and may involve, and cooperate with, law enforcement authorities in prosecuting users who have participated in such violations. You agree that it is your responsibility to install anti-virus software and related protections against viruses, Trojan horses, worms, time bombs, cancelbots or other techniques that may have the effect of damaging, destroying, disrupting or otherwise impairing a computer's functionality or operation, which may inadvertently be transferred to your computer through your use of the Application.

In order to access certain services, which may from time to time be offered by FIRST CHOICE, you may be required to pay fees, accept additional terms and conditions and/or, establish an account including ~~an~~ unique identification code or name (an "ID") and password (a "Password"). You are the sole and exclusive owner of any Password and ID combination issued or chosen by ~~to~~ you. Maintaining the confidentiality and security of your Password(s) and ID(s) is solely your responsibility. You are fully responsible for the use and protection of each Password and ID issued to or chosen by you and for all transactions undertaken by means of any account opened, held, accessed or used via such Password and ID. You shall notify ~~us~~FCBB immediately and confirm in writing any unauthorized use of accounts or any breach of security, including without limitation any loss, theft or unauthorized use of your Password(s), and/or ID(s) or any related account. If ~~we~~FCBB have reasonable grounds to suspect that the security of your Password and/or ID has been compromised, ~~we~~FCBB have the right to suspend or terminate your account, refuse any and all current or future use of the services, and pursue any appropriate legal remedies. ~~We~~FCBB shall not be responsible for any losses incurred in connection with any misuse of any Password or ID.

8. Electronic Signatures and Agreements

You acknowledge and agree that by clicking on the button labeled "SUBMIT", "DOWNLOAD", "I ACCEPT" or such similar links as may be designated by FIRST CHOICE. To accept the system software, you are submitting a legally binding electronic signature and are entering into a legally binding contract. You acknowledge that your electronic submissions constitute your agreement and intent to be bound by this Agreement, pursuant to any applicable statutes, regulations, rules, ordinances or other laws, including without limitation, the United States Electronic Signatures in Global and National Commerce Act, P.L. 106-229 (the "E-Sign Act") or other similar statutes. You hereby agree to the use of electronic signatures, contracts, orders and other records and to electronic delivery of notices, policies and records of transactions initiated or completed through the application or services offered by FIRST CHOICE. Further, you hereby waive any rights or requirements under any statutes, regulations, rules, ordinances or other laws in any jurisdiction which require an original signature or delivery or retention of non-electronic records, or to payments or the granting of credits by other than electronic means.

9. Disclaimer of Warranty

Your access and use of the applications and services and any content available through our services or on our websites [is](#) at your sole risk.

We provide the Applications and the content on an "as is," and "as available" basis without warranty of any kind, either express, implied or statutory, including without limitation, any implied warranties of merchantability, fitness for a particular purpose, title, custom, trade, quiet enjoyment, accuracy of informational content, system integration or non-infringement.

We make no representations or warranties concerning the services provided by third parties accessible on or through our applications or our services.

Neither [weFCBB](#) nor our directors, officers, employees, parents, subsidiaries, affiliates, agents, contractors, third party vendors, facilities, information providers, licensors, nor any exchanges, clearing organizations or other suppliers providing data, information, or services (each a "provider") make any representation or warranty: (a) as to the timeliness, sequence, accuracy, completeness, reliability or content of the applications or FIRST CHOICE's services or any information, service or transaction provided thereby, or (b) that the applications or FIRST CHOICE's services will be available or will operate in an uninterrupted or error-free manner, (c) that errors or defects related to the applications or the services will be corrected or (d) that [weFCBB](#) can identify any identity theft. [WeFCBB](#) also do not warrant that the applications or the services or the information available through the services, is appropriate, accurate or available for use in any particular jurisdiction.

This disclaimer of warranty constitutes an essential part of this agreement.

The above exclusions may not apply in jurisdictions that do not allow the exclusion of certain implied warranties.

10. Termination

In the event that your FIRST CHOICE Franchise Agreement is terminated pursuant to the terms of such agreement, then this License Agreement will also terminate at the same time, without needing any further actions by us. [WeFCBB](#) also may terminate this Agreement only for good cause and disable Applications or cease providing any service at any time in our reasonable discretion.

11. Limitation of Liability

The parties agree that the limitation of liability provisions contained in this section shall not supersede any conflicting terms, representations or warranties as contained in the Standard Franchise Agreement executed by the parties, as applicable.

You expressly acknowledge and agree that in no event will FIRST CHOICE, its parents, subsidiaries, or affiliates or their employees, distributors, suppliers, merchant partners, advertisers, directors or agents (each a "protected party," collectively "protected parties") be liable for any direct, indirect, incidental, special, punitive, consequential or exemplary damages or other relief arising out of, or related to, this agreement or to your use or inability to use any or all of the applications or FIRST CHOICE services including, without limitation, lost profits, lost business or lost opportunity, goodwill, or other intangible losses (even if FIRST CHOICE has been advised of the possibility of such damages).

Solely to the extent the foregoing limitation of liability is, for any reason, held to be inapplicable or unenforceable in whole or in part, then the protected parties' aggregate liability, for any reason and for any cause of action and any theory of liability, arising out of or related to the services or this agreement shall be limited to the lesser of damages actually incurred or the average revenue received by FIRST CHOICE pursuant to this agreement. The protected parties assume no liability hereunder for, and shall have no obligation to defend you or to pay costs, damages or attorneys' fees for, any claim based upon: (i) any method or process in which the Application may be used by you; (ii) any results of using the Application; (iii) any use of other than a current unaltered release of one of the Applications; or (iv) the combination, operation or use of any of the Application(s) with third party programs or data.

Because some states or jurisdictions do not allow the exclusion or the limitation of liability for consequential or incidental damages, in such states or jurisdictions, our liability shall be limited to the extent permitted by law.

12. Export Controls

The Application and the underlying information and technology may not be downloaded or otherwise exported or re-exported (i) into (or to a national or resident of) any country to which the U.S. has embargoed goods; or (ii) to anyone on the U.S. Treasury Department's list of Specially Designated Nationals or the U.S. Commerce Department's Table of Deny Orders. By downloading or using the Application, you agree to the foregoing and you represent and warrant that you are not located in, under the control of, or a national or resident of any such country or on any such list, and that you will otherwise comply with all applicable export control laws.

13. Applicable Law

By accessing or using the Application or our services, you agree that the substantive laws of the State of Nevada in the United States of America shall govern all matters relating to or arising from this Agreement, and the use (or inability to use) any or all of the services or the Application, and that such laws shall apply without regard to principles of conflict of laws. Subject to the dispute resolution procedures set forth below, you hereby submit to the exclusive jurisdiction and venue of the appropriate State and Federal courts located in Las Vegas, Clark County, Nevada with respect to all matters arising out of or relating to this Agreement. The United Nations Convention on Contracts for the International Sale of Goods does not apply to this Agreement. You agree that regardless of any statute or law to the contrary, any claim or cause of action arising out of or related to use of the FIRST CHOICE Service, any Application or the FIRST CHOICE Privacy Policy must be filed within one (1) year after such claim or cause of action arose or be forever barred.

14. Successor Agreements

The terms of this Agreement may change from time to time. You should check back at the website regularly to determine if any material changes have been made. ~~We~~[FCBB](#) may prominently post material changes on the FIRST CHOICE website at least 14 days prior to the effective date of the change and will also attempt to provide you with an on-line notice informing you when such material changes have been made to this Agreement, which notice shall contain an active link that you can use to view a web page containing or linking to the revised Agreement.

You agree that your continued use of any Application or our services after the effective date of any change will constitute your affirmative consent to this revised Agreement. If you do not accept such revisions, you must affirmatively indicate to [usFCBB](#) in writing with such notice being sent to the same address listed in Section Eight above that you do not accept the successor Agreement and remove all of our Applications from your computer and cease all access to and use of our services hereunder. Failure to remove our Applications from your computer will be deemed an acceptance of the terms of the most current Agreement.

15. General

This Agreement, as modified from time to time as described above, and including the FIRST CHOICE Privacy Policy, Terms of Service and any other policies incorporated by reference, sets forth the entire understanding and agreement between the parties. No delay or failure to enforce any provision of this Agreement will constitute a waiver of such provision by FIRST CHOICE or acts as estoppel against later enforcement. Subject to the terms of the Order of Precedence set forth above, this Agreement constitutes the entire agreement between you and FIRST CHOICE with respect to the specific subject matter addressed herein, and governs your use of the Application and our services, superseding any prior agreements between you and FIRST CHOICE or its affiliates or related entities relating to such subject matter, but this Agreement may be supplemented by any other agreement you enter into with FIRST CHOICE or its affiliates or related entities pursuant to a registration to access additional software or services provided by FIRST CHOICE. You may not assign any of your rights or delegate any of your obligations under this Agreement without the prior written consent of FIRST CHOICE. FIRST CHOICE shall not be deemed to be in breach of this Agreement due to any delay or failure of performance or interruption in the availability of the Services resulting directly or indirectly from any act of nature or other cause beyond the reasonable control of FIRST CHOICE. If any provision of this Agreement is found by a court of competent jurisdiction to be invalid, the parties nevertheless agree that the court should endeavor to give effect to the parties' intentions as reflected in the provision, and that the other provisions of this Agreement remain in full force and effect. Sections 2-12 of this Agreement will survive any expiration, cancellation or termination of this Agreement.

The section headings used in this Agreement are for convenience only and have no legal or contractual effect.

LICENSEE:

FRANCHISEE

By: _____
Name: _____

Title: _____

~~LICENSOR: FIRST CHOICE BUSINESS BROKERS, INC.~~

By: _____

Name: _____ DATE

Title: _____

LICENSEE:

FRANCHISEE

By: _____

Name: _____

Title: _____

LICENSOR: FIRST CHOICE BUSINESS BROKERS,
INC.

By: _____ DATE

Name: _____

Title: _____

SCHEDULE 4

ASSIGNMENT OF TELEPHONE NUMBERS, INTERNET ADDRESSES, AND SOCIAL MEDIA IDENTITIES

In accordance with the terms of the FIRST CHOICE Franchise Agreement (“Franchise Agreement”) between First Choice Business Brokers, Inc. (“FCBBI”) and _____ (“Franchisee”), executed concurrently with this Agreement, under which FCBBI granted Franchisee the right to own and operate a franchised FIRST CHOICE Business (“Franchised Business”), Franchisee, for value received, hereby assigns to FCBBI all of Franchisee’s right, title and interest in and to those certain telephone numbers, facsimile numbers, regular, classified, or other telephone directory listings, URLs, domain names, websites, social media accounts, and e-mail addresses and accounts (collectively, the “Listings”) associated with FCBBI’s trade and service marks and used from time to time in connection with the operation of the Franchised Business.

This assignment is for collateral purposes only and, except as specified in this Agreement, FCBBI will have no liability or obligation of any kind whatsoever arising from or in connection with this Assignment unless FCBBI notifies the telephone company, domain name registries and internet service providers and all listing agencies (collectively, the “Listing Agencies”) as required by the terms of this Agreement to effectuate the assignment.

Upon termination or expiration of the Franchise Agreement (without renewal or extension), FCBBI will have the right and are hereby empowered to effectuate the assignment of the Listings, and, in such event, Franchisee will have no further right, title or interest in the Listings and will remain liable to the Listing Agencies for all past due fees owing to the Listing Agencies on or before the effective date of the assignment. Upon the termination or expiration of the Franchise Agreement, FCBBI will have the sole right to all audience data and ad copy from all paid media sources including but not limited to Meta and Google and their respective subsidiaries and Franchisee agrees that it will transfer all social media and assets to FCBBI, as well as all current and active usernames and passwords. Franchisee further agrees that upon termination or expiration of the Franchise Agreement, Franchisee will ensure that FCBBI has full, administrative-level access, to all Listings.

Franchisee agrees and acknowledges that as between FCBBI and Franchisee, upon termination or expiration of the Franchise Agreement, FCBBI will have the sole right to and interest in the Listings, and Franchisee will appoint FCBBI as Franchisee’s true and lawful attorney-in-fact to direct the Listing Agencies to assign the same to FCBBI, and will execute such agreements and take such actions as may be necessary to effectuate the assignment. Upon such event, Franchisee will immediately notify the Listing Agencies to assign the Listings to FCBBI; Franchisee also agrees not to utilize any call forwarding messages referring to another number. If Franchisee fails to promptly direct the Listing Agencies to assign the Listings to FCBBI, FCBBI will direct the Listing Agencies to effectuate the assignment contemplated under this Agreement, to FCBBI.

The parties agree that the Listing Agencies may accept written direction from FCBBI, or this Assignment, as conclusive proof of our exclusive rights in and to the Listings upon such termination or expiration. The parties further agree that if a Listing Agency requires that the parties execute the Listing Agency’s assignment forms or other documentation at the time of expiration or termination, FCBBI’s execution of such forms or documentation will effectuate Franchisee’s consent and agreement to the assignment. The parties agree that at any time after the date of this Agreement, they will perform such acts and

execute and deliver such agreements or documents as may be necessary to assist in or accomplish the assignment described in this Agreement upon termination or expiration of the Franchise Agreement.

FRANCHISEE

FIRST CHOICE BUSINESS BROKERS, INC.

By: _____
Name: _____

By: _____
Name: _____

SCHEDULE 5

CONFIDENTIALITY AND NON-COMPETITION AGREEMENT

NAME: _____

HOME ADDRESS: _____

HOME TELEPHONE: _____

CLASSIFICATION: _____ (Owner, Member, Officer, Director, Etc.)

_____ (“Franchisee”) is a Franchisee of First Choice Business Brokers, Inc. (“FIRST CHOICE”) pursuant to a Franchise Agreement entered into by FIRST CHOICE and Franchisee dated _____ (the “Franchise Agreement”).

I agree that during the term of my employment by, ownership or participation in, association with or service to Franchisee, or at any time thereafter, I will not communicate, divulge or use for the benefit of any other person, persons, partnership, proprietorship, association, corporation or entity any confidential information, knowledge or know-how concerning the systems of operation, services, products, clients or practices FIRST CHOICE which may be communicated to me (“Confidential Information”), and I will not divert any business to competitors of Franchisee and/or FIRST CHOICE.

Any and all information, knowledge, know-how, techniques and information which the entities mentioned above or their officers designate as confidential will be Confidential Information for the purposes of this Agreement, except information which I can demonstrate came to my attention before disclosure or which had become or becomes a part of the public domain through publication or communication by others, but in no event through any act of mine.

I specifically understand that, without limitation, the following have been deemed to constitute Confidential Information: the FIRST CHOICE system of operations and all services, products, technologies, business relationships, business methods, operating manuals, policies, standards, systems, techniques, requirements, criteria and procedures that are used by FIRST CHOICE now or in the future (the “System”); Franchisee in the course of the operation of Franchisee’s business, as well as all procedures, systems, techniques and activities employed by FIRST CHOICE and/or Franchisee in the course of offering or selling products and services from or at Franchisee’s businesses; all of FIRST CHOICE’s and Franchisee’s sources (or prospective sources) of policies and contracts, and all information pertaining to same; the computer hardware and software utilized by FIRST CHOICE and Franchisee; all information pertaining to FIRST CHOICE’s, and Franchisee’s advertising, marketing, promotion and merchandising campaigns, philosophies, materials, specifications and procedures; FIRST CHOICE’s and Franchisee’s computer network Web sites and any and all computer network Web sites of FIRST CHOICE and any affiliate of FIRST CHOICE; all information posted on or received at such Web sites; all of FIRST CHOICE’s instructional materials; quality assurance programs; supervision systems; recommended services; recordkeeping, bookkeeping and accounting systems and materials; revenue reports; activity schedules; job descriptions; records pertaining to customers of Franchisee; business forms; product and service order forms; general operations materials; revenue reports; specifications, systems, standards, techniques, philosophies and materials, guidelines, policies and procedures

concerning the System; additions to, deletions from, and modifications and variations of the components of the System or the systems and methods of operations which now or in the future are employed by FIRST CHOICE, including all related standards and specifications and the means and manner of offering and selling them; and, all other components, specifications, standards, requirements and duties imposed by FIRST CHOICE or any of FIRST CHOICE's affiliates.

I will at no time copy, duplicate, record or otherwise reproduce any of the Confidential Information or material containing it, in whole or in part, store them in a computer retrieval or database, nor otherwise make them available to any unauthorized person. Upon the expiration or other termination for any reason of my employment, association, service or ownership participation, I agree to return to FIRST CHOICE or Franchisee (as the case may be) all materials, books, records, and manuals considered confidential under this Agreement which are in my possession.

I further agree that during the term of my employment/service/association/ownership participation, I will not, directly or indirectly, engage in business brokerage services ("Competitive Business").

For a period of two years immediately following the expiration or termination of my employment/service/association/ownership participation, I agree that I will not, directly or indirectly, engage in business brokerage services at my former place of employment with Franchisee, within twenty (20) miles of such location, or within twenty (20) miles of any business brokerage office operated by FIRST CHOICE, any of its affiliates, or any of its franchisees, at such time.

However, nothing herein will prevent me from owning for investment purposes up to an aggregate of 5% of the capital stock of any Competitive Business, so long as the Competitive Business is a publicly held corporation whose stock is listed and traded on a national or regional stock exchange.

I acknowledge that violation of the covenants not to compete contained in this Agreement would result in immediate and irreparable injury to FIRST CHOICE and Franchisee, for which no adequate remedy at law will be available. Accordingly, I hereby consent to the entry of an injunction procured by FIRST CHOICE or Franchisee (or both) prohibiting any conduct by me in violation of the terms of those covenants not to compete and/or restrictions on the use of Confidential Information set forth in this agreement. I expressly agree that it may conclusively be presumed in any legal action that any violation of the terms of these covenants not to compete was accomplished by and through my unlawful utilization of FIRST CHOICE's Confidential Information, know-how, methods and procedures. Further, I expressly agree that any Claims I may have against FIRST CHOICE will not constitute a defense to FIRST CHOICE's enforcement of the covenants not to compete set forth in this Agreement. I further agree to pay all costs and expenses (including reasonable attorneys' and experts' fees) incurred by FIRST CHOICE in connection with the enforcement of those covenants not to compete set forth in this Agreement.

If all or any portion of this covenant not to use Confidential Information and not to compete is held unreasonable, void, vague or illegal by any court or agency having valid jurisdiction in ~~the~~ final decision (after the exhaustion of all appellate rights), the court or agency will be empowered to revise and/or construe the covenant to fall within permissible legal limits, and should not invalidate the entire covenant. I expressly agree to be bound by any lesser covenant subsumed within the terms of this Agreement as if the resulting covenant were separately stated in and made a part of this Agreement.

I agree that this Agreement and all relations and disputes between myself on the one hand, and Franchisee or FIRST CHOICE on the other hand, whether sounding in contract, tort, or otherwise, are to

be exclusively construed in accordance with and/or governed by (as applicable) the law of the State of Nevada without recourse to Nevada (or any other) choice of law or conflicts of law principles. Nothing in this Agreement is intended to invoke the application of any franchise, business opportunity, antitrust, unfair competition, fiduciary or any other doctrine of law of the State of Nevada or any other state, which would not otherwise apply.

I further agree that any litigation arising out of or related to this Agreement; any breach of this Agreement; and, all relations and any and all disputes between myself on the one hand, and Franchisee or FIRST CHOICE on the other hand, whether sounding in contract, tort, or otherwise, will be instituted exclusively in a court of competent jurisdiction in Las Vegas, Nevada. I agree that any dispute as to the venue for this litigation will be submitted to and resolved exclusively by a court of competent jurisdiction situated in Las Vegas, Nevada. I hereby waive and covenant never to assert or claim that said venue is for any reason improper, inconvenient, prejudicial or otherwise inappropriate (including, without limitation, any Claim under the judicial doctrine of forum non conveniens).

SEEN AND AGREED:

(Signature)

(Printed Name)

(Date)

(Signature)

(Printed Name)

(Date)

SCHEDULE 6

FRANCHISEE OWNERSHIP INFORMATION

Franchisee: _____

Trade Name (if different from above): _____

**Form of Ownership
(Check One)**

___ **Individual** ___ **Limited Liability Company** ___ **Corporation** ___ **Partnership**

If a **Limited Liability Company**, give the state and date of formation, the name and address of the manager(s), and list the names and addresses of every member and the percentage of membership interest held by each member.

If a **Corporation**, give the state and date of incorporation, the names and addresses of each officer and director, and list the names and addresses of every shareholder showing what percentage of stock is owned by each.

If a **Partnership**, provide name and address of each partner showing percentage owned, whether active in management, and indicate the state in which the partnership was formed.

Franchisee acknowledges that this Statement of Ownership applies to the **Franchised Business** Franchise authorized under the Franchise Agreement.

Use additional sheets if necessary. Any and all changes to the above information must be reported to First Choice in writing.

_____ **Date** _____ **Name** _____

Date

Name



SCHEDULE 7

AUTOMATIC PAYMENT AUTHORIZATION FORM

AUTHORIZATION FOR CHECKING/SAVINGS ACCOUNT DRAFT OPTION:

PLEASE PRINT:

I authorize charges to be drafted from the bank account listed below.

I authorize First Choice Business Brokers Inc. (Franchise Support) to draft from the bank account listed below in the following amount: \$1.00 or as Reported on the Royalty Reporting Form whichever is greater.

Please check type of account:

Checking Account

Savings Account

Name on account (exactly as printed) _____

Full Address for (Incl. Street & Apt. #):

Name of Bank: _____

Checking/Savings Account Number _____

Routing Number: _____

Signature of Bank Account Holder

Date

1 The NACHA Operating Rules do not require the consumer's express authorization to initiate Reversing Entries to correct erroneous transactions. However, Originators should consider obtaining express authorization of debits or credits to correct errors.

2 Written debit authorizations must provide that the Receiver may revoke the authorization only by notifying the Originator in the time and manner stated in the authorization. The reference to notification should be filled with a statement of the time and manner that notification must be given in order to provide company a reasonable opportunity to act on it (e.g., "In writing by mail to 100 Main Street, Anytown, NY that is received at least three (3) days prior to the proposed effective date of the termination of authorization").

SCHEDULE 8

FRANCHISEE COMPLIANCE CERTIFICATION

As you know, First Choice (the “Franchisor”) and you are preparing to enter into a Franchise Agreement for the establishment and operation of a “First Choice” Franchised Business (the “Franchise”). The purpose of this Questionnaire is to determine whether any statements or promises were made to you that the Franchisor has not authorized and that may be untrue, inaccurate or misleading. Please review each of the following questions and statements carefully and provide honest and complete responses to each.

We will not ask you to complete this form, and ~~we~~FCBB will disregard any answers from you, if you live or plan to operate your franchise in the states of California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, or Wisconsin. Do not sign this Compliance Certification if you are a resident of Maryland or the business is to be operated in Maryland.

~~1.~~1. Have you received and personally reviewed the Franchise Agreement, each Addendum, and related agreement attached to them?

Yes _____ No _____

~~2.~~2. Do you understand all of the information contained in the Franchise Agreement, each Addendum and related agreement provided to you?

Yes _____ No _____

If no, what parts of the Franchise Agreement, Addendum, and/or related agreement do you not understand? (Attach additional pages, as needed.)

~~3.~~3. Have you received and personally reviewed the Franchisor’s Franchise Disclosure Document (“FDD”) that was provided to you?

Yes _____ No _____

~~4.~~4. Did you sign a receipt for the FDD indicating the date you received it?

Yes _____ No _____

~~5.~~5. Do you understand all of the information contained in the FDD and any state-specific Addendum to the FDD?

Yes _____ No _____

If No, what parts of the FDD and/or Addendum do you not understand? (Attach additional pages, as needed.)

~~6.~~6. Have you discussed with an attorney, accountant, or other professional advisor the benefits and risks of establishing and operating a business as a FIRST CHOICE franchise?

Yes _____ No _____

If No, do you wish to have more time to do so?

Yes _____ No _____

~~7.~~7. Do you understand that the success or failure of your Franchise will depend in large part upon your skills and abilities, competition from other businesses, interest rates, inflation, labor and supply costs, lease terms and other economic and business factors?

Yes _____ No _____

~~8.~~8. Has any employee or other person speaking on behalf of the Franchisor made any statement or promise to you (or, to the best of your knowledge, information and belief, to any person or entity on your behalf) concerning the actual or possible revenues, profits or operating costs of a "First Choice" business operated by the Franchisor or any of its franchisees, that is contrary to the information contained in the FDD?

Yes _____ No _____

~~9.~~9. Has any employee or other person speaking on behalf of the Franchisor made any statement or promise to you (or, to the best of your knowledge, information and belief, to any person or entity on your behalf) regarding the amount of money you may earn in operating the Franchise that is contrary to the information contained in the FDD?

Yes _____ No _____

~~10.~~10. Has any employee or other person speaking on behalf of the Franchisor made any statement or promise to you (or, to the best of your knowledge, information and belief, to any person or entity on your behalf) concerning the total amount of revenue the Franchise will or may generate, that is contrary to the information contained in the FDD?

Yes _____ No _____

~~11.~~11. Has any employee or other person speaking on behalf of the Franchisor made any statement or promise to you (or, to the best of your knowledge, information and belief, to any person or entity on your behalf) regarding the costs you may incur in operating the Franchise that is contrary to or different from, the information contained in the FDD?

Yes _____ No _____

~~12.~~ 12. Has any employee or other person speaking on behalf of the Franchisor made any statement or promise to you (or, to the best of your knowledge, information and belief, to any person or entity on your behalf) concerning the likelihood of success that you should or might expect to achieve from operating the Franchise?

Yes _____ No _____

~~13.~~ 13. Has any employee or other person speaking on behalf of the Franchisor made any statement, agreement or promise to you (or, to the best of your knowledge, information and belief, to any person or entity on your behalf) concerning the advertising, marketing, training, support service or assistance that the Franchisor will furnish to you that is contrary to, or different from, the information contained in the FDD?

Yes _____ No _____

~~14.~~ 14. Have you entered into any binding agreement with the Franchisor concerning the purchase of this franchise prior to today?

Yes _____ No _____

~~15.~~ 15. Have you paid any money to the Franchisor concerning the purchase of this franchise prior to today?

Yes _____ No _____

~~16.~~ 16. Do you understand that you are not being granted an exclusive or protected territory, and that ~~Franchisor~~ FCBB and its affiliates and subsidiaries retain the right, directly or through others, to develop and franchise other similar FIRST CHOICE franchises or different franchise systems regardless of their proximity to your Approved Location?

Yes _____ No _____

~~17.~~ 17. Do you understand that the Franchise Agreement contains the entire agreement between you and the Franchisor concerning the franchise and development rights for the Franchise, meaning that any prior oral or written statements not set out in the Franchise Agreement will not be binding?

Yes _____ No _____

~~18.~~ 18. I signed the Franchise Agreement, and Addenda (if any) on _____, 20____, and acknowledge that no agreement or Addendum is effective until signed and dated by the Franchisor.

19. Have ~~we~~ FCBB or any of our employees or any other persons speaking on our behalf made any statements to you regarding the financial condition of our parent company or any of our affiliated companies? Check one: () Yes () No.

If your answer is "Yes," have you relied on the statement(s) regarding the financial condition of any of our affiliated companies in deciding whether to purchase a franchise from us? Check one: () Yes () No.

20. If you have answered "Yes" to any of questions 9-19, please provide a full explanation of each "yes" answer in the following blank lines. (Attach additional pages, as needed, and refer to them below.) If you have answered "no" to each of questions 9-19, then please leave the following lines blank.

Do not sign this Compliance Certification if you are a resident of Maryland ~~or Washington~~ or the business is to be operated in Maryland ~~or Washington~~.

You Understand That Your Answers Are Important to UsFCBB and That ~~We~~FCBB 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.

FRANCHISE APPLICANT

~~Signed~~

~~Printed Name~~

_____, 20____
~~Date~~

FRANCHISE APPLICANT

Signed

Printed Name

_____, 20____

| Date

SCHEDULE 9

STATE ADDENDA TO THE FRANCHISE AGREEMENT

**CALIFORNIA ADDENDUM
TO THE FRANCHISE AGREEMENT**

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

~~1.1.~~ **1.1. The registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the commissioner.**

~~2.2.~~ **2.2. Section 31512.1 Franchise Agreement Provisions Void as Contrary to Public Policy**

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

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

Sections 15.1 and 15.2 are deleted and in their place are substituted the following:

15.1 Termination by ~~Us~~FCBB Without Right to Cure. ~~We~~FCBB may terminate this Agreement without notice and the opportunity to cure for any of the following reasons:

- (a) The franchisee or the business to which the franchise relates has been judicially determined to be insolvent, all or a substantial part of the assets thereof are assigned to or for the benefit of any creditor, or the franchisee admits his or her inability to pay his or her debts as they come due;
- (b) The franchisee abandons the franchise by failing to operate the business for five consecutive days during which the franchisee is required to operate the business under the terms of the franchise, or any shorter period after which it is not unreasonable under the facts and circumstances for the Franchisor to conclude that the franchisee does not intend to continue to operate the franchise, unless such failure to operate is due to fire, flood, earthquake, or other similar causes beyond the franchisee's control;
- (c) The ~~franchisor~~FCBB and franchisee agree in writing to terminate the franchise;
- (d) The franchisee makes any material misrepresentations relating to the acquisition of the franchise business or the franchisee engages in conduct which reflects materially and unfavorably upon the operation and reputation of the franchise business or system;
- (e) The franchisee fails, for a period of 10 days after notification of noncompliance, to comply with any federal, state, or local law or regulation, including, but not limited to, all health, safety, building, and labor laws or regulations applicable to the operation of the franchise;
- (f) The franchisee, after curing any failure in accordance with Section 15.2 engages in the same noncompliance whether or not such noncompliance is corrected after notice;

(g) The franchisee breaches the franchise agreement three or more times in a 12-month period, whether or not corrected after notice;

(h) The franchised business or business premises of the franchise are seized, taken over, or foreclosed by a government official in the exercise of his or her duties, or seized, taken over, or foreclosed by a creditor, lienholder, or lessor, provided that a final judgment against the franchisee remains unsatisfied for 30 days (unless a supersedeas or other appeal bond has been filed); or a levy of execution has been made upon the license granted by the franchise agreement or upon any property used in the franchised business, and it is not discharged within five days of such levy;

(i) The franchisee is convicted of a felony or any other criminal misconduct which is relevant to the operation of the franchise;

(j) The franchisee fails to pay any franchise fees or other amounts due to the Franchisor or its affiliate within five days after receiving written notice that such fees are overdue; or

(k) The ~~franchisor~~FCBB makes a reasonable determination that continued operation of the franchise by the franchisee will result in an imminent danger to public health or safety.

15.2 Termination by ~~Us~~FCBB with Opportunity to Cure. ~~We~~FCBB may terminate this Agreement, after sending you notice and a 60 day opportunity to cure, for any other breach of this Agreement.

~~3.3~~3.3. Disclaimer of Warranty

Section 9 of Schedule 3 (Computer System User License Agreement), titled "Disclaimer of Warranty," is hereby deleted in its entirety.

Franchisee owners must sign a personal guaranty, making you and your spouse individually liable for your financial obligations under the agreement if you are married. The guaranty will place your and your spouse's marital and personal assets at risk, perhaps including your house, if your franchise fails.

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

[Signature Page Follows]

FRANCHISEE

By: _____
Name: _____
Title: _____

~~FIRST CHOICE BUSINESS BROKERS, INC.~~

By: _____
Name: _____ DATE _____
Title: _____

FRANCHISEE

By: _____

Name: _____

Title: _____

FIRST CHOICE BUSINESS BROKERS, INC.

By: _____

Name: _____

Title: _____

DATE

**HAWAII ADDENDUM
TO THE FRANCHISE AGREEMENT**

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

1. The Franchise Agreement is modified to also provide that ~~we~~us~~FCBB~~ defer the payment of all initial fees paid by you to ~~we~~us~~FCBB~~ until ~~we~~us~~FCBB~~ have performed all pre-opening obligations, and you are open for business.

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

FRANCHISEE

By: _____
Name: _____
Title: _____

~~**FIRST CHOICE BUSINESS BROKERS, INC.**~~

By: _____
Name: _____ **DATE**
Title: _____

FRANCHISEE

By: _____

Name: _____

Title: _____

FIRST CHOICE BUSINESS BROKERS, INC.

By: _____

Name: _____

Title: _____

_____ DATE

**ILLINOIS ADDENDUM
TO THE FRANCHISE AGREEMENT**

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

1. Illinois law governs the Franchise Agreement.

2. Section 25.2 of the Franchise Agreement is deleted. In its place is substituted the following: "You agree to bring any claim against us, including our present and former employees and agents, which in any way relates to or arises out of this Agreement, or any of the dealings of the parties hereto, solely in arbitration before the American Arbitration Association in the city or county where our National Headquarters office is located."

3. 815 ILCS 705/41 provides as follows: "Sec. 41. Waivers void. Any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act or any other law of this State is void."

~~4.4.~~ Payment of Initial and Development Fees will be deferred until ~~Franchisor~~FCBB has met its initial obligations to franchisee, and franchisee has commenced doing business. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to Franchisor's financial condition.

~~5.5.~~ In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

Your rights upon Termination and Non-Renewal of an agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

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

FIRST CHOICE BUSINESS BROKERS, INC.

FRANCHISEE

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

**MARYLAND ADDENDUM
TO THE FRANCHISE AGREEMENT**

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

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

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

3. A 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.

4. 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.

5. Section 4 of the Franchise Agreement is modified to also provide: "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."

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

FRANCHISEE

By: _____
Name: _____
Title: _____

~~**FIRST CHOICE BUSINESS BROKERS, INC.**~~

By: _____

Name: _____ DATE
Title: _____

FRANCHISEE

By: _____

Name: _____

Title: _____

FIRST CHOICE BUSINESS BROKERS, INC.

By: _____

Name: _____

Title: _____

DATE

**MINNESOTA ADDENDUM
TO THE FRANCHISE AGREEMENT**

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

- Minn. Stat. §80C.21 and Minn. Rule 2860.4400(J) prohibit the Franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreements can abrogate or reduce (1) any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.
- With respect to franchises governed by Minnesota law, the Franchisor will comply with Minn. Stat. Sec. 80C.14 Subds. 3, 4, and 5 which require (except in certain specified cases), that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement and that consent to the transfer of the franchise will not be unreasonably withheld.
- The ~~franchisor~~ [FCBB](#) will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.

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

- Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.
- The franchisee cannot consent to the Franchisor obtaining injunctive relief. The ~~franchisor~~ [FCBB](#) may seek injunctive relief. See Minn. Rules 2860.4400J.

- ~~NSF checks are governed by Minnesota Statute 604.113, which puts a cap of \$30 on service charges.~~

Also, a court will determine if a bond is required.

Any Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5.

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

[Signature Page Follows]

~~FRANCHISEE~~

By: _____
Name: _____
Title: _____

~~FIRST CHOICE BUSINESS BROKERS, INC.~~

By: _____
Name: _____ DATE
Title: _____

FRANCHISEE

By: _____

Name: _____

Title: _____

FIRST CHOICE BUSINESS BROKERS, INC.

By: _____

Name: _____

Title: _____

DATE

**NORTH DAKOTA ADDENDUM
TO THE FRANCHISE AGREEMENT**

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

~~6.1.~~ You are not required to sign a general release upon renewal of the franchise agreement.

2. The franchise agreement is amended to also provide as follows:

“Covenants not to compete are generally considered unenforceable in the State of North Dakota.”

~~7.3.~~ The provisions concerning choice of law, jurisdiction and venue, jury waiver, and waiver of punitive damages are hereby deleted and in their place is substituted the following language:

“You agree to bring any claim against us, including our present and former employees, agents, and affiliates, which in any way relates to or arises out of this Agreement, or any of the dealings of the parties hereto, solely in arbitration before the American Arbitration Association.”

~~8.4.~~ North Dakota law governs any cause of action arising out of the franchise agreement.

~~9.5.~~ Any requirement in the Franchise Agreement that requires you to pay all costs and expenses incurred by ~~us~~FCBB in enforcing the agreement is void. Instead, the prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney’s fees.

~~10.6.~~ The third sentence of Section 16.5 of the Franchise Agreement, which requires you to consent to termination or liquidated damages, is hereby deleted as North Dakota determines it be unfair, unjust, and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

~~11.7.~~ The first sentence of Section 25.9 of the Franchise Agreement is amended and restated so that it reads: “Before you may bring any Claim against ~~us~~FCBB in court, you agree to try for a period of 60 days to mediate such claim before a mutually agreed-to mediator in a place that is mutually agreeable and that is not remote from your place of business.

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

[Signature Page Follows]

FRANCHISEE

By: _____
Name: _____
Title: _____

~~FIRST CHOICE BUSINESS BROKERS, INC.~~

By: _____
Name: _____ DATE
Title: _____

FRANCHISEE

By: _____

Name: _____

Title: _____

FIRST CHOICE BUSINESS BROKERS, INC.

By: _____

Name: _____

Title: _____

DATE

**RHODE ISLAND ADDENDUM
TO THE FRANCHISE AGREEMENT**

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

1. If the franchise agreement contains any provisions that conflict with the Rhode Island Franchise Investment Act, the provisions of this Addendum shall prevail to the extent of such conflict.

2. Any provision in the franchise agreement restricting jurisdiction or venue to a forum outside of Rhode Island is void with respect to a claim otherwise enforceable under the Rhode Island Franchise Investment Act.

3. Any provision in the franchise agreement requiring the application of the laws of a state other than Rhode Island is void with respect to a claim otherwise enforceable under the Rhode Island Franchise Investment Act.

4. The Rhode Island Franchise Investment Act stipulates that you cannot release or waive any rights granted under this Act. Any provision of this franchise agreement, which constitutes a waiver of rights granted under the Act, is superseded.

5. You agree to bring any claim against us, including our present and former employees and agents, which in any way relates to or arises out of this Agreement, or any of the dealings of the parties hereto, solely in arbitration before the American Arbitration Association.

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

FRANCHISEE

By: _____
Name: _____
Title: _____

~~FIRST CHOICE BUSINESS BROKERS, INC.~~

By: _____
Name: _____ DATE
Title: _____

FRANCHISEE

By: _____
Name: _____
Title: _____

FIRST CHOICE BUSINESS BROKERS, INC.

By: _____
Name: _____ DATE
Title: _____

**SOUTH DAKOTA ADDENDUM
TO THE FRANCHISE AGREEMENT**

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

~~1.~~ 1. The Franchise Agreement is clarified to also indicate that 50% of the initial franchise fee and 50% of royalties are deemed paid for the use of our Marks and 50% are deemed paid for our training, support, and franchise system.

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

FRANCHISEE

By: _____
Name: _____
Title: _____

~~FIRST CHOICE BUSINESS BROKERS, INC.~~

By: _____
Name: _____ DATE _____
Title: _____

FRANCHISEE

By: _____

Name: _____

Title: _____

FIRST CHOICE BUSINESS BROKERS, INC.

By: _____

Name: _____

Title: _____

DATE

**VIRGINIA ADDENDUM
TO THE FRANCHISE AGREEMENT**

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

The Franchise Agreement is modified to also provide as follows: "The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires ~~us~~[FCBB](#) to defer payment of the initial franchise fee and other initial payments owed by franchisees to the Franchisor until the Franchisor has completed its pre-opening obligations under the franchise agreement."

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

FRANCHISEE

By: _____
Name: _____
Title: _____

~~**FIRST CHOICE BUSINESS BROKERS, INC.**~~

By: _____
Name: _____ **DATE** _____
Title: _____

FRANCHISEE

By: _____

Name: _____

Title: _____

FIRST CHOICE BUSINESS BROKERS, INC.

By: _____

Name: _____

Title: _____

DATE

WASHINGTON ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT, THE FRANCHISE AGREEMENT, AND ALL RELATED AGREEMENTS

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

~~ADDENDUM TO THE FRANCHISE AGREEMENT~~

~~If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.~~

- 1. Conflict of Laws.** In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.
- 2. Franchisee Bill of Rights.** RCW 19.100.180 may supersede provisions in the franchise agreement ~~in or related agreements concerning~~ your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions ~~which may that~~ supersede the franchise agreement ~~in or related agreements concerning~~ your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the areas of termination and renewal of your Franchise Disclosure Document, are subject to state law.
- 3. Site of Arbitration, Mediation, and/or Litigation.**

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

- 4. General Release.** A release or waiver of rights ~~executed by a franchisee may not include rights~~ in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any ~~rule~~ rules or ~~order~~ orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).
- 5. Statute of Limitations and Waiver of Jury Trial.** Provisions ~~such as those which~~ contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

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

7. Termination by Franchisee. The franchisee may terminate the franchise agreement under any grounds permitted under state law.

8. **Certain Buy-Back Provisions.** Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.
9. **Fair and Reasonable Pricing.** Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).
10. **Waiver of Exemplary & Punitive Damages.** RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).
11. **Franchisor's Business Judgement.** Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.
12. **Indemnification.** Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.
13. **Attorneys' Fees.** If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.
14. **Noncompetition Covenants.** Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any ~~provisions~~ provision contained in the franchise agreement or elsewhere that ~~conflict~~ conflicts with these limitations ~~are~~ is void and unenforceable in Washington.
15. **Nonsolicitation Agreements.** RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any

such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

8

~~Section 4 of the Franchise Agreement is amended to also state: "In lieu of an impound of franchise fees, the Franchisor will not require or accept the payment of any initial franchise fees until the franchisee (a) has received all initial training that it is entitled to under the franchise agreement or disclosure document, and (b) is open for business."~~

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

17. Prohibitions on Communicating with Regulators. Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

18. Advisory Regarding Franchise Brokers. Under the Washington Franchise Investment Protection Act, a "franchise broker" is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

19. The undersigned ~~does~~ parties do hereby acknowledge receipt of this Addendum.

FRANCHISEE

By: _____
Name: _____
Title: _____

~~FIRST CHOICE BUSINESS BROKERS, INC.~~

By: _____
Name: _____ DATE _____
Title: _____
Dated this _____ day of _____ 20 _____

FRANCHISEE

By: _____
Name: _____
Title: _____

FIRST CHOICE BUSINESS BROKERS, INC.

By: _____
Name: _____ DATE _____
Title: _____

**WISCONSIN ADDENDUM
TO THE FRANCHISE AGREEMENT**

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

~~1.~~ 1. If the Franchise Agreement contains any provision that conflict with the Wisconsin Fair Dealership Law, the provisions of this Addendum shall prevail to the extent of such conflict.

~~2.~~ 2. The Franchise Agreement is amended to also include the following language:

With respect to franchises governed by Wisconsin law, the Wisconsin Fair Dealership Law applies to most, if not all, franchise agreements and prohibits the termination, cancellation, non-renewal or the substantial change of the competitive circumstances of a dealership agreement without good cause. That Law further provides that 90 days prior written notice of a proposed termination, etc. must be given to the dealer. The dealer has 60 days to cure the deficiency and if the deficiency is cured, the notice is void.

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

FRANCHISEE

By: _____
Name: _____
Title: _____

~~**FIRST CHOICE BUSINESS BROKERS, INC.**~~

By: _____
Name: _____ DATE
Title: _____

FRANCHISEE

By: _____
Name: _____
Title: _____

FIRST CHOICE BUSINESS BROKERS, INC.

By: _____
Name: _____ DATE
Title: _____

EXHIBIT B

NON-DISCLOSURE AGREEMENT

FIRST CHOICE BUSINESS BROKERS, INC. NON-DISCLOSURE AGREEMENT

This agreement is entered into this ___th-day of _____, 20__ by and between First Choice Business Brokers, Inc. ("FIRST CHOICE"), having principal offices in Las Vegas, NV and _____(insert name), having his principal offices in _____(insert city and state). For purpose of this agreement, FIRST CHOICE is the disclosing party and _____(insert name) is the receiving party. The purpose of this agreement is to prevent the unauthorized disclosure or use of Confidential Information (as defined below), which may be disclosed to Receiving Party for the purpose of pursuing the establishment of a business relationship or negotiating any contract or agreement between Disclosing Party and Receiving Party.

For purposes of this Agreement, Confidential Information shall not mean information regarding the brokerage of businesses and franchises, in general, including business operations, formats and techniques not formulated by FIRST CHOICE. Furthermore, Confidential Information shall not mean information formulated by FIRST CHOICE which would otherwise be known by a broker already in the trade or business of brokering businesses or franchises. For the purpose of this section, "known" is defined as actual knowledge or knowledge that would have been expected when applying an objective reasonable person standard.

For purposes of this Agreement, except as provided for above, the term "Confidential Information" means: proprietary techniques, methodology, formats, processes, business plans, legal agreements and legal documents, research programs, teaching techniques, trade secrets, unpublished financial data including but not limited to formats, specifications, know-how, budgets, projections, tools of the trade, professional trade references, marketing strategies, manuals, and customer lists, disclosed to Receiving Party by FIRST CHOICE.

NOW THEREFORE IN CONSIDERATION of the mutual covenants, agreements, representations, and warranties, and in exchange for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

1. **Effective Date.** This Agreement shall become effective on the earlier of the first date of execution of this Agreement or the date that any Confidential Information was or is first disclosed to Receiving Party, whichever comes first.
2. **Non-Disclosure.** Receiving Party acknowledges that the FIRST CHOICE Confidential Information is essential to the goodwill of the business of Disclosing Party. Receiving Party shall hold and maintain FIRST CHOICE's Confidential Information in strictest confidence and in trust for the sole and exclusive benefit of Disclosing Party. Receiving Party shall not use for its own benefit, publish, or otherwise disclose to others (with the exception of associated agents, employees or lending institutions), or permit the use by others for their benefit or to the detriment of Disclosing Party, any of the FIRST CHOICE Confidential Information. Receiving Party shall carefully restrict access to the FIRST CHOICE Confidential Information to those of its officers, directors, agents, and employees and associated financial institution representatives who clearly need such access in order to participate on behalf of

Receiving Party in the analysis and negotiation of a business relationship or any contract or agreement, or the advisability thereof, with Disclosing Party.

3. Injunction Relief. In the event of breach of any of the covenants or representations hereof, the Disclosing Party shall be entitled to injunctive relief in addition to any other remedy, including claims for damages that it might otherwise have.

4. Binding Effect. This Agreement shall inure to the benefit of the Disclosing Party and shall be binding upon the personal representatives of the undersigned and may not be terminated, amended or modified, except by an instrument in writing signed by the Parties. The parties acknowledge and agree that this Agreement is entered into for the purpose of Receiving Party's consideration of whether it will enter into a binding Franchise Agreement. Any Franchise Agreement entered into by the parties to this Agreement will supersede this Agreement in all aspects.

5. Applicable Law. The provisions of this Agreement shall be construed, and the performance thereof shall be enforced, in accordance with the laws of the State of Nevada.

6. Term. The parties hereto agree that the term of this agreement shall commence on the date described in section 1 and shall terminate five (5) years from this date.

IN WITNESS WHEREOF, the parties hereto have set their hand and seal this ____th day of _____, 20__.

~~Disclosing Party, FIRST CHOICE~~

~~By:~~

~~Receiving Party~~

~~(name of person), Individually and on behalf of (name of corporation/franchisee)~~

Disclosing Party, FIRST CHOICE

By:

Receiving Party

(name of person), Individually and on behalf of (name of corporation/franchisee)

EXHIBIT C

STATE ADMINISTRATORS/AGENTS FOR SERVICE OF PROCESS

State	State Administrator	Agent for Service of Process
California	Department of Financial Protection and Innovation 320 West 4th Street Los Angeles, CA 90013 2101 Arena Boulevard Sacramento, CA 95834 (866) 275-2677	Commissioner of Financial Protection and Innovation Department of Financial Protection and Innovation 320 West 4th Street Los Angeles, CA 90013
Connecticut	The Banking Commissioner The Department of Banking, Securities and Business Investment Division 260 Constitution Plaza Hartford, CT 06103-1800 Phone Number (860) 240-8299	The Banking Commissioner The Department of Banking, Securities and Business Investment Division 260 Constitution Plaza Hartford, CT 06103-1800 Phone Number (860) 240-8299
Hawaii	Commissioner of Securities of the State of Hawaii Department of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203	Commissioner of Securities of the State of Hawaii Department of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203

State	State Administrator	Agent for Service of Process
	Honolulu, HI 96813 (808) 586-2722	Honolulu, HI 96813
Illinois	Office of Attorney General Franchise Division 500 South Second Street Springfield, IL 62706 (217) 782-4465	Illinois Attorney General Office of Attorney General Franchise Division 500 South Second Street Springfield, IL 62706
Indiana	Secretary of State, Securities Division 302 West Washington Street, Room E-111 Indianapolis, IN 46204 (317) 232-6681	Secretary of State, Securities Division West Washington Street, Room E-111 Indianapolis, IN 46204
Kentucky	Kentucky Attorney General 700 Capitol Avenue Frankfort, Kentucky 40601-3449 (502) 696-5300	
Maryland	Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, MD 21202 (410) 576-6360	Maryland Securities Commissioner 200 St. Paul Place Baltimore, MD 21202-2020
Michigan	Department of Attorney General Consumer Protection Division – Franchise Unit	Department of Attorney General 525 W. Ottawa Street

State	State Administrator	Agent for Service of Process
	525 W. Ottawa Street G. Mennen Building Lansing, MI 48913 (517) 373-7117	G. Mennen Building Lansing, MI 48913
Minnesota	Minnesota Commissioner of Commerce 85 7 th Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1500	Minnesota Commissioner of Commerce 85 7th Place East, Suite 280 St. Paul, MN 55101-2198
Nebraska	Nebraska Department of Banking and Finance 1200 N Street-Suite 311 Post Office Box 95006 Lincoln, Nebraska 68509 (402) 471-3445	
New York	New York State Department of Law Investor Protection Bureau 28 Liberty St. 21 st Floor New York, NY 10005 Phone: 212-416-8222	New York Department of State One Commerce Plaza 99 Washington Avenue, 6th Floor Albany, New York 12231-0001 (518) 473-2492
North Dakota	Securities Commissioner North Dakota Securities Department 600 East Boulevard Avenue State Capital, Fifth Floor, Dept. 414	Securities Commissioner North Dakota Securities Department 600 East Boulevard Avenue State Capital, Fifth Floor, Dept. 414

State	State Administrator	Agent for Service of Process
	Bismarck, ND 58505-0510 (701) 328-4712	Bismarck, ND 58505-0510
Rhode Island	Department of Business Regulation Securities Division John O. Pastore Complex 1511 Pontiac Avenue, Bldg. 69-1 Cranston, RI 02920 (401) 462-9588	Department of Business Regulation Securities Division John O. Pastore Complex 1511 Pontiac Avenue, Bldg. 69-1 Cranston, RI 02920 (401) 462-9588
South Dakota	Division of Insurance Securities Regulation 124 South Euclid, Suite 104 Pierre, SD 57501 (605) 773-3563	Division of Insurance Securities Regulation 124 South Euclid, Suite 104 Pierre, SD 57501
Texas	Secretary of State Statutory Document Section P.O. Box 12887 Austin, TX 78711 (512) 475-1769	
Utah	Department of Commerce Division of Consumer Protection 160 East 300 South Salt Lake City, Utah 84111-0804 (801) 530-6601	

State	State Administrator	Agent for Service of Process
Virginia	State Corporation Commission Division of Securities and Retail Franchising 1300 E. Main Street, 9 th Floor Richmond, VA 23219 (804) 371-9051	Clerk of the State Corporation Commission 1300 East Main Street, 1st Floor Richmond, VA 23219
Washington	Washington Dept. <u>State</u> <u>Department</u> of Financial Institutions Securities Division P.O. <u>P.O.</u> Box 41200 <u>9033</u> Olympia, WA 98504-1200 <u>98507</u> <u>(360) 902-8760</u>	Securities Administrator Washington State Department of Financial Institutions 150 Israel Rd., SW Tumwater, WA 98501
Wisconsin	Wisconsin Department of Financial Institutions 345 West Washington Avenue Madison, WI 53703 (608) 266-8557	Wisconsin Department of Financial Institutions 345 West Washington Avenue Madison, WI 53703

EXHIBIT D

GENERAL RELEASE

THIS GENERAL RELEASE is made and given by _____,
("Releasor") with reference to the following facts:

~~1.~~1. Releasor and First Choice Business Brokers, Inc. (Releasee) are parties to one or more franchise agreements.

~~2.~~2. The following consideration is given:

_____ the execution by Releasor of a successor Franchise Agreement or other renewal documents renewing the franchise (the "Franchise"); or

_____ Releasor's consent to Releasee's transfer of its rights and duties under the Franchise Agreement; or

_____ Releasor's consent to Releasee's assumption of rights and duties under the Franchise Agreement; or

_____ [insert description]

~~3.~~3. Release- Franchisee and all of Franchisee's guarantors, members, employees, agents, successors, assigns and affiliates fully and finally release and forever discharge Releasee, its past and present agents, employees, officers, directors, members, Franchisees, successors, assigns and affiliates (collectively "Released Parties") from any and all claims, actions, causes of action, contractual rights, demands, damages, costs, loss of services, expenses and compensation which Franchisee could assert against Released Parties or any of them up through and including the date of this Release.

~~4.~~4. THIS IS A SPECIFIC RELEASE GIVING UP ALL RIGHTS WITH RESPECT TO THE TRANSACTIONS OR OCCURRENCES THAT ARE BEING RELEASED UNDER THIS AGREEMENT.

~~5.~~5. California Releasor- You represent and warrant that YOU EXPRESSLY WAIVE ANY AND ALL RIGHTS AND BENEFITS UNDER CALIFORNIA CIVIL CODE §1542, which provides as follows:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

~~6-6.~~ 6. The above Release shall not apply to any liabilities arising under the California Franchise Investment Law, the California Franchise Relations Act, Indiana Code § 23-2-2.5.1 through 23-2-2.7-7, the Maryland Franchise Registration and Disclosure Law, Michigan Franchise Investment Law, Minnesota Franchise Act, North Dakota franchise laws, the Rhode Island Investment Act, and the Washington Franchise Investment Protection Act.

~~FRANCHISEE~~

By: _____
Name: _____
Title: _____

~~FIRST CHOICE BUSINESS BROKERS, INC.~~

By: _____
Name: _____ DATE _____
Title: _____

FRANCHISEE

By: _____

Name: _____

Title: _____

FIRST CHOICE BUSINESS BROKERS, INC.

By: _____

Name: _____

Title: _____

DATE

EXHIBIT E
FINANCIAL STATEMENTS

FIRST CHOICE BUSINESS BROKERS, INC.
FINANCIAL STATEMENTS
DECEMBER 31, 2024, 2023 AND 2022

FIRST CHOICE BUSINESS BROKERS, INC.
FINANCIAL STATEMENTS
DECEMBER 31, 2024, 2023 AND 2022

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Independent Auditor's Report

To the Stockholders of
First Choice Business Brokers, Inc.

Opinion

We have audited the accompanying financial statements of First Choice Business Brokers, Inc. (a Nevada corporation), which comprise the balance sheets as of December 31, 2024, 2023 and 2022, and the related statements of operations, stockholders' deficit, and cash flows for the years then ended, 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 First Choice Business Brokers, Inc. as of December 31, 2024, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

Auditor's Responsibilities for the Audit of the Financial Statements

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



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lvcpas.com

Members of the American Institute of Certified Public Accountants & Nevada Society of Certified Public Accountants

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

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

Ellsworth & Stout, LLC

February 25, 2025
Las Vegas, Nevada

FIRST CHOICE BUSINESS BROKERS, INC.
BALANCE SHEETS
DECEMBER 31, 2024, 2023 AND 2022

	2024	2023	2022
ASSETS			
Current Assets:			
Cash	\$ 1,473,699	\$ 1,056,716	\$ 674,168
Accounts receivable, net	24,065	1,980	1,280
Prepaid expenses	-	20,006	25,000
Current maturities of deferred contract costs	83,746	62,645	34,767
Total current assets	<u>1,581,510</u>	<u>1,141,347</u>	<u>735,215</u>
Other Assets:			
ROU asset from operating lease, net	463,900	557,386	1,350,868
Deferred contract costs, net of current	536,556	430,391	242,138
Deferred income taxes	72,739	140,831	108,131
Deposits	21,381	21,381	21,381
Total other assets	<u>1,094,576</u>	<u>1,149,989</u>	<u>1,722,518</u>
Total Assets	<u>\$ 2,676,086</u>	<u>\$ 2,291,336</u>	<u>\$ 2,457,733</u>
LIABILITIES AND STOCKHOLDERS' DEFICIT			
Current Liabilities:			
Accounts payable	\$ 41,333	\$ 44,126	\$ 29,565
Income tax payable	119,653	81,374	83,687
Deferred revenue	-	12,870	2,050
Current operating lease liability	101,739	78,670	188,745
Current maturities of deferred franchise fees	346,692	271,867	163,076
Total current liabilities	<u>609,417</u>	<u>488,907</u>	<u>467,123</u>
Long-Term Liabilities:			
Liability for operating lease, net	414,101	515,840	1,165,095
Deferred franchise fees, net of current	2,349,323	1,950,372	1,185,732
Total long-term liabilities	<u>2,763,424</u>	<u>2,466,212</u>	<u>2,350,827</u>
Total Liabilities	<u>3,372,841</u>	<u>2,955,119</u>	<u>2,817,950</u>
Stockholders' Deficit:			
Common stock, no par value; 100,000 shares authorized, 90,000 shares issued and outstanding	-	-	-
Additional paid-in capital	65,891	65,891	65,891
Accumulated deficit	(762,646)	(729,674)	(426,108)
Total Stockholders' Deficit	<u>(696,755)</u>	<u>(663,783)</u>	<u>(360,217)</u>
Total Liabilities and Stockholders' Deficit	<u>\$ 2,676,086</u>	<u>\$ 2,291,336</u>	<u>\$ 2,457,733</u>

See accompanying notes to the financial statements.

FIRST CHOICE BUSINESS BROKERS, INC.
STATEMENTS OF OPERATIONS
YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Revenue	\$ 2,456,232	\$ 1,621,246	\$ 1,052,951
Cost of Revenue	<u>218,261</u>	<u>147,312</u>	<u>73,009</u>
Gross Profit	<u>2,237,971</u>	<u>1,473,934</u>	<u>979,942</u>
Operating Expenses:			
Advertising	721,305	744,282	425,292
Employee benefits	64,668	52,600	23,574
Insurance	6,475	2,856	2,591
Office expense and other	91,106	53,922	11,407
Professional fees	219,774	204,486	173,408
Repairs and maintenance	-	-	6,521
Rent	111,284	101,301	72,049
Salaries, wages and related	733,550	592,399	375,801
Taxes and licenses	<u>1,745</u>	<u>3,354</u>	<u>5,700</u>
Total operating expenses	<u>1,949,907</u>	<u>1,755,200</u>	<u>1,096,343</u>
Operating Income (Loss)	288,064	(281,266)	(116,401)
Other Income (Expense):			
Interest income	<u>16,709</u>	<u>-</u>	<u>-</u>
Net Income (Loss) before Taxes	304,773	(281,266)	(116,401)
Provision for Income Tax Benefit (Expense)	<u>(187,745)</u>	<u>32,700</u>	<u>7,554</u>
Net Income (Loss)	<u>\$ 117,028</u>	<u>\$ (248,566)</u>	<u>\$ (108,847)</u>

See accompanying notes to the financial statements.

FIRST CHOICE BUSINESS BROKERS, INC.
STATEMENTS OF STOCKHOLDERS' DEFICIT
YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022

	Common Shares	Common Stock	Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' Deficit
Balance, December 31, 2021	90,000	\$ -	\$ 65,891	\$ (317,261)	\$ (251,370)
Net loss	-	-	-	(108,847)	(108,847)
Balance, December 31, 2022	90,000	-	65,891	(426,108)	(360,217)
Net loss	-	-	-	(248,566)	(248,566)
Dividend distributions	-	-	-	(55,000)	(55,000)
Balance, December 31, 2023	90,000	-	65,891	(729,674)	(663,783)
Net income	-	-	-	117,028	117,028
Dividend distributions	-	-	-	(150,000)	(150,000)
Balance, December 31, 2024	90,000	\$ -	\$ 65,891	\$ (762,646)	\$ (696,755)

See accompanying notes to the financial statements.

FIRST CHOICE BUSINESS BROKERS, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022

	2024	2023	2022
Cash Flows From Operating Activities:			
Net income (loss)	\$ 117,028	\$ (248,566)	\$ (108,847)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Deferred income tax (benefit) expense	68,092	(32,700)	(91,241)
Operating lease accretion	14,816	34,152	2,972
Changes in operating assets and liabilities:			
(Increase) decrease in:			
Accounts receivable	(22,085)	(700)	495
Prepaid expenses	20,006	4,994	(25,000)
Deferred contract costs	(127,266)	(216,131)	(152,605)
Deposits	-	-	(21,381)
Increase (decrease) in:			
Accounts payable	(2,793)	14,561	28,467
Income tax payable	38,279	(2,313)	58,058
Deferred revenue	(12,870)	10,820	2,050
Deferred franchise fees	473,776	873,431	687,000
Net cash provided by operating activities	<u>566,983</u>	<u>437,548</u>	<u>379,968</u>
Cash Flows From Financing Activities:			
Dividend distributions	<u>(150,000)</u>	<u>(55,000)</u>	<u>-</u>
Net cash used in financing activities	<u>(150,000)</u>	<u>(55,000)</u>	<u>-</u>
Net Change in Cash	416,983	382,548	379,968
Cash, Beginning of Year	<u>1,056,716</u>	<u>674,168</u>	<u>294,200</u>
Cash, End of Year	<u>\$ 1,473,699</u>	<u>\$ 1,056,716</u>	<u>\$ 674,168</u>

See accompanying notes to the financial statements.

FIRST CHOICE BUSINESS BROKERS, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024, 2023 AND 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of First Choice Business Brokers, Inc. (the Company) is presented to assist in understanding the Company's financial statements. The financial statements and notes are representations of the Company's management who are responsible for the integrity and objectivity of the financial statements. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Nature of the Business

The Company was incorporated on August 19, 2005, and is based in Las Vegas, Nevada. The Company provides worldwide franchise opportunities in relation to the establishment and operation of a business brokerage franchised business. The Company provides technical assistance in the establishment, business management and product and services of a business brokerage within the framework of a franchise agreement.

Basis of Presentation

The financial statements are prepared on the accrual basis of accounting, which recognizes income when earned and expenses when incurred.

Use of Estimates in Preparation of Financial Statements

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

Cash and Cash Equivalents

For the purpose of the statement of cash flows, the Company considers all highly liquid investments available for current use with original maturity of three months or less to be cash equivalents.

The Company maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts. Management believes the Company is not exposed to any significant credit risk on cash and cash equivalents.

Accounts Receivable

The Company's receivables are primarily generated from ongoing business relationships with franchisees as a result of franchise agreements.

Accounts receivable are reported net of an allowance for doubtful accounts. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to account receivable.

FIRST CHOICE BUSINESS BROKERS, INC.
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
DECEMBER 31, 2024, 2023 AND 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounts Receivable (Continued)

As of December 31, accounts receivable consisted of the following balances:

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Accounts receivable	\$ 24,065	\$ 1,980	\$ 1,280	\$ 1,775
Allowance for doubtful accounts	-	-	-	-
	<u>\$ 24,065</u>	<u>\$ 1,980</u>	<u>\$ 1,280</u>	<u>\$ 1,775</u>

Revenue Recognition

In accordance with ASC 606, the Company applies each of the following steps in the recognition of contract revenue:

- Identifies contracts with customers.
- Identifies performance obligations in contracts.
- Determines transaction prices.
- Allocates transaction prices to performance obligations in the contracts.
- Recognizes revenue when performance obligations are satisfied.

The Company executes franchise agreements for each franchise which set out the terms of the agreement with the franchisee. Franchise agreements typically require the franchisee to pay an initial, non-refundable fee and continuing fees based upon a percentage of sales. Subject to the Company's approval and payment of a renewal fee, a franchisee may generally renew the franchise agreement upon its expiration.

The Company has determined that the services provided in exchange for these initial franchise fees are highly interrelated with the franchise right and are not individually distinct from the ongoing services the Company provides to its franchisees. As a result, initial franchise fees are recognized as revenue over the term of each respective franchise agreement. Revenues for these initial franchise fees are recognized on the straight-line basis, which is consistent with the franchisee's right to use and benefit from intellectual property.

The Company's contract liabilities are comprised of unamortized initial franchise fees. As of December 31, deferred franchise fees consisted of the following:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Deferred franchise fees	\$ 2,696,015	\$ 2,222,239	\$ 1,348,808
Less: current maturities	(346,692)	(271,867)	(163,076)
	<u>\$ 2,349,323</u>	<u>\$ 1,950,372</u>	<u>\$ 1,185,732</u>

FIRST CHOICE BUSINESS BROKERS, INC.
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
DECEMBER 31, 2024, 2023 AND 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition

As of December 31, the Company expects to recognize contract liabilities as revenue over the remaining term of the associated franchise agreements as follows:

2025	\$ 346,692
2026	346,692
2027	346,692
2028	344,492
2029	328,984
Thereafter	<u>982,463</u>
	<u>\$ 2,696,015</u>

Continuing fees are recognized monthly, as they are earned.

Additionally, the Company incurs incremental costs in the course of obtaining franchise agreements. The Company's incremental costs of obtaining franchise agreements are capitalized and presented on the accompanying balance sheets. These incremental costs are recognized on the straight-line basis which is consistent with the franchisee's right to use and benefit from intellectual property.

The Company's contract assets are comprised of unamortized incremental contract costs. As of December 31, deferred contract costs consisted of the following:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Deferred contract costs	\$ 620,302	\$ 493,036	\$ 276,905
Less: current maturities	<u>(83,746)</u>	<u>(62,645)</u>	<u>(34,767)</u>
	<u>\$ 536,556</u>	<u>\$ 430,391</u>	<u>\$ 242,138</u>

Income Taxes

Provisions for income taxes are based on taxes payable or refundable for the current year and deferred taxes on temporary differences between the amount of taxable income and pretax financial income and between the tax basis of assets and liabilities and their reported amounts in the financial statements. Deferred tax assets and liabilities are included in the financial statements at currently enacted income tax rates applicable to the period in which the deferred tax assets and liabilities are expected to be realized or settled. As changes in tax laws or rates are enacted, deferred tax assets and liabilities are adjusted through the provision for income taxes. The deferred tax assets and liabilities represent the future tax consequences of those differences, which will either be taxable or deductible when the assets and liabilities are recovered or settled. Deferred taxes are also recognized for operating losses that are available to offset future income. A valuation allowance is recorded for deferred tax assets when it is more likely than not that such deferred tax assets will not be realized.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes (Continued)

If it is probable that an uncertain tax position will result in a material liability and the amount of the liability can be estimated, then the estimated liability is accrued. If the Company were to incur any income tax liability in the future, interest on any income tax liability would be reported as interest expense, and penalties on any income tax would be reported as income taxes. As of December 31, 2024, there were no uncertain tax positions.

The Company is no longer subject to potential income tax examinations by tax authorities for years in which the statute of limitations has expired.

Advertising

The Company expenses advertising costs as incurred.

Leases

The Company has elected to apply to the portfolio approach to account for ROU assets and liabilities, where applicable.

The Company has elected the practical expedient that does not require the Company to separate lease and non-lease components for its leases.

The Company has elected to use the risk-free rate as the discount rate.

The Company has elected the short-term lease recognition exemption for all applicable classes of underlying assets. Short-term disclosures include only those leases with a term greater than one month and 12 months or less, and expense is recognized on a straight-line basis over the lease term. Leases with an initial term of 12 months or less that do not include an option to purchase the underlying asset that the Company is reasonably certain to exercise, are not recorded on the balance sheet.

The Company leases office space. The determination of whether an arrangement is a lease is made at the lease's inception. Under ASC 842, a contract is (or contains) a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined under the standard as having both the right to obtain substantially all of the economic benefits from use of the asset and the right to direct the use of the asset. Management only reassesses its determination if the terms and conditions of the contract are changed.

FIRST CHOICE BUSINESS BROKERS, INC.
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
DECEMBER 31, 2024, 2023 AND 2022

NOTE 2 – INCOME TAXES

For the year ended December 31, the provision for income taxes consisted of the following components:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Current tax expense	\$ (119,653)	\$ -	\$ (83,687)
Deferred tax benefit (expense)	(68,092)	32,700	91,241
	<u>\$ (187,745)</u>	<u>\$ 32,700</u>	<u>\$ 7,554</u>

As of December 31, the accompanying balance sheets included the following amounts of deferred tax assets:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Deferred tax asset	\$ 72,739	\$ 140,831	\$ 108,131
Deferred tax liability	-	-	-
	<u>\$ 72,739</u>	<u>\$ 140,831</u>	<u>\$ 108,131</u>

The deferred tax balances resulted primarily from differences between the accrual basis method used for financial reporting and the cash basis method used for tax reporting.

NOTE 3 – REVENUE

For the years ended December 31, revenue sources were as follows:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Initial Franchise Fees	\$ 464,492	\$ 328,243	\$ 232,246
Royalties	1,184,612	740,148	496,695
Other	807,128	552,855	324,010
	<u>\$ 2,456,232</u>	<u>\$ 1,621,246</u>	<u>\$ 1,052,951</u>

As of December 31, the timing and recognition of revenue was as follows:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Services transferred at a point in time	\$ 1,991,740	\$ 1,293,003	\$ 820,705
Services transferred over time	464,492	328,243	232,246
	<u>\$ 2,456,232</u>	<u>\$ 1,621,246</u>	<u>\$ 1,052,951</u>

Various economic factors such as supply and demand, laws and policies, and labor affect revenues and cash flows. The Company's revenue is derived from sources within the United States.

FIRST CHOICE BUSINESS BROKERS, INC.
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
DECEMBER 31, 2024, 2023 AND 2022

NOTE 4 – LEASE ACTIVITIES

As of December 31, 2024, additional information about the Company’s leases were as follows:

Lease Costs (included in rent expense):

Operating lease cost	\$ 111,284
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Other Information:

Weighted-average remaining lease terms (years)	4.67
Weighted-average discount rate	1.40%

As of December 31, 2024, operating lease liabilities mature as follows:

2025	\$ 108,188
2026	111,288
2027	114,602
2028	118,023
2029	80,856
Total lease payments	<u>532,957</u>
Less: interest	<u>(17,117)</u>
Present value of lease liabilities	<u><u>\$ 515,840</u></u>

NOTE 5 – EMPLOYEE BENEFIT PLAN

The Company provides employees with the opportunity to participate in a 401(k) plan (the Plan), subject to certain eligibility requirements. The Plan covers eligible employees immediately upon hire and employees may begin to elect to make contributions to the plan up to the maximum amount allowed by the Internal Revenue Code. The Company made contributions to the Plan on behalf of a related party officer in the amount of \$15,744, \$2,282 and \$23,000 for the years ended December 31, 2024, 2023 and 2022, respectively. These amounts are included under the caption “Employee benefits” on the accompanying statements of operations.

NOTE 6 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through February 25, 2025, the date on which the financial statements were available to be issued. No events were identified that required adjustments of disclosure to the financial statements.

EXHIBIT E-1

UNAUDITED FINANCIAL STATEMENTS

~~These Financial Statements Have Been Prepared without an Audit. Prospective Franchisees or Sellers of Franchises Should be Advised that No Independent Certified Public Accountant Has Audited These Figures or Expressed an Opinion with Regard to their Content or Form.~~

EXHIBIT E-2

AUDITED FINANCIAL STATEMENTS

EXHIBIT F
STATE ADDENDA TO DISCLOSURE DOCUMENT

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**CALIFORNIA ADDENDUM
TO THE DISCLOSURE DOCUMENT**

As to franchises governed by the California Franchise Investment Law, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

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

Item 3 of the Disclosure Document is amended by adding the following paragraph:

Neither ~~wefranchisor~~ nor any person or franchise broker in Item 2 of this disclosure document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling these persons from membership in this association or exchange.

Item 5 of the Disclosure Document is modified by adding the following: "The California Department of Financial Protection and Innovation has imposed a financial assurance condition on the Franchisor which is being satisfied by posting a surety bond as shown in Exhibit A here."

Item 17 of the Disclosure Document is amended by adding the following paragraphs:

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

Item 17.g. of the Disclosure Document is modified to state that, in addition to the grounds for immediate termination specified in Item 17.h., the Franchisor can terminate upon written notice and a 60 day opportunity to cure for a breach of the Franchise Agreement.

Item 17.h. of the Disclosure Document is modified to state that the Franchisor can terminate immediately for insolvency, abandonment, mutual agreement to terminate, material misrepresentation, legal violation persisting 10 days after notice, repeated breaches, judgment, criminal conviction, monies owed to the Franchisor more than 5 days past due, and imminent danger to public health or safety.

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

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

SECTION 31125 OF THE FRANCHISE INVESTMENT LAW REQUIRES ~~US~~FRANCHISOR TO GIVE TO YOU A DISCLOSURE DOCUMENT APPROVED BY THE COMMISSIONER OF FINANCIAL PROTECTION AND INNOVATION BEFORE ~~WE ASK~~FRANCHISOR ASKS YOU TO CONSIDER A MATERIAL MODIFICATION OF YOUR FRANCHISE AGREEMENT.

YOU MUST SIGN A GENERAL RELEASE OF CLAIM IF YOU RENEW OR TRANSFER YOUR FRANCHISE. CALIFORNIA CORPORATIONS CODE §31512 VOIDS A WAIVER OF YOUR RIGHTS UNDER THE FRANCHISE INVESTMENT LAW (CALIFORNIA CODE §§31000 THROUGH 31516). BUSINESS AND PROFESSIONS CODE §20010 VOIDS A WAIVER OF YOUR RIGHTS UNDER THE FRANCHISE RELATIONS ACT (BUSINESS AND PROFESSIONS CODE §§20000 THROUGH 20043).

Our website is located at fcbb.com.

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTINO AND INNOVATION AT www.dfpi.ca.gov.

Exhibit A

STATE OF CALIFORNIA -DEPARTMENT OF BUSINESS OVERSIGHT
SURETY BOND
DBO - 31113 (Rev. 09-15)



BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT
OF THE STATE OF CALIFORNIA

(Under Section 31113 of the Corporations Code)

Bond No. 107246303

KNOW ALL MEN BY THESE PRESENTS:

That we FIRST CHOICE BUSINESS BROKERS INC., as principal, and Travelers Casualty and Surety Company of America, a corporation, created, organized and existing under and by virtue of the laws of the State of CONNECTICUT, as surety, are held and firmly bound unto the State of California for the use thereof, and for the use of any interested person or persons who may have a cause of action against the above-named principal of said bond under the provisions of the Law entitled "Franchise Investment Law," of the State of California, in the aggregate sum of \$90,000.00, lawful money of the United States of America, to be paid to the State of California, or to any person or persons, for the use and benefit aforesaid, for which payment well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

The condition of the above obligation is such that—

WHEREAS, The above-named principal has made application to the Commissioner of Business Oversight of the State of California for registration of franchises under and pursuant to the Franchise Investment Law, and desires to furnish a bond under the provisions of Section 31113 of the Corporations Code and Section 310.113.5 of Title 10, California Administrative Code in the penal sum above named, conditioned as herein set forth; and

WHEREAS, Section 31113 of the Corporations Code requires that this bond be conditioned upon the discharge by the franchisor of its (his) obligations under the franchise contract to provide real estate, improvements, equipment, inventory, training and other items included in the offering of franchises;

NOW, THEREFORE, If the said principal and any and all agents and employees representing said principal shall faithfully conform to and abide by the provisions of the Law entitled "Franchise Investment Law," and of all rules and regulations made by the Commissioner of Business Oversight thereunder, and further shall pay to the State, and to such person or persons, any and all amounts which may become due or owing to the State or to such person or persons, from said principal under and by virtue of the provisions of said Law, then this obligation is to be void, otherwise to remain in full force and effect.

This bond is subject to the following provisions:

1. That any person who sustains an injury covered by this bond, may, in addition to any other remedy that he may have, bring an action in his own name upon this bond for the recovery of any damage sustained by him.
2. That the total aggregate liability of the sureties herein for all claims which may arise under

STATE OF CALIFORNIA -DEPARTMENT OF BUSINESS OVERSIGHT
SURETY BOND
DBO - 31113 (Rev. 09-15)

this bond shall be limited to the payment of \$90,000.00 .

3. That the surety or sureties may cancel this bond and be relieved of further liability hereunder by delivering thirty days' written notice to the Commissioner of Business Oversight of the State of California; however, such cancellation shall not affect any liability incurred or accrued hereunder prior to the termination of said thirty day period.

4. That this bond shall remain in force and effect until the surety or sureties are released from liability by said Commissioner or until the bond is canceled by said surety or sureties.

5. That the effective date of this bond shall be April 08, 2020 .

IN WITNESS WHEREOF, The seal and signature of the said principal is hereto affixed and the corporate seal and the name of said surety is hereto affixed and attested by its duly authorized officers at San Diego, California, this 09 day of April, 2020.

FIRST CHOICE BUSINESS BROKERS INC.


Principal

Travelers Casualty and Surety Company of America


Surety PATRICK K MCNAMARA



ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of Nevada
County of Clark

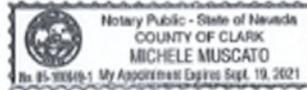
On April 09, 2020 before me, ~~Jeffrey Nyman~~ ^{RAM} Michele Muscato ^{Notary Public}
(insert name and title of the officer)

personally appeared Jeffrey Nyman
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature *Michele Muscato* (Seal)





POWER OF ATTORNEY

Farmington Casualty Company
Fidelity and Guaranty Insurance Company
Fidelity and Guaranty Insurance Underwriters, Inc.
St. Paul Fire and Marine Insurance Company
St. Paul Guardian Insurance Company

St. Paul Mercury Insurance Company
Travelers Casualty and Surety Company
Travelers Casualty and Surety Company of America
United States Fidelity and Guaranty Company

Surety Bond No. 107246303

Principal: FIRST CHOICE BUSINESS BROKERS INC.
5420 WEST SAHARA SUITE 200 LAS VEGAS, NV 89146

Obligee: California Department of Business Oversight
1515 K Street, Suite 200 SACRAMENTO, CA 958144052

KNOW ALL MEN BY THESE PRESENTS: That Farmington Casualty Company, St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company of America, and United States Fidelity and Guaranty Company, are corporations duly organized under the laws of the State of Connecticut, that Fidelity and Guaranty Insurance Company is a corporation duly organized under the laws of the State of Iowa, and that Fidelity and Guaranty Insurance Underwriters, Inc. is a corporation duly organized under the laws of the State of Wisconsin (herein collectively called the "Companies"), and that the Companies do hereby make, constitute and appoint **PATRICK K MCHAMARA**, of the City of **SAINT PAUL**, State of **MN**, their true and lawful Attorney(s)-in-Fact, to sign, execute, seal and acknowledge the surety bond referenced above.

IN WITNESS WHEREOF, the Companies have caused this instrument to be signed and their corporate seals to be hereto affixed, this **7th** day of **July**, 2016.

Farmington Casualty Company
Fidelity and Guaranty Insurance Company
Fidelity and Guaranty Insurance Underwriters, Inc.
St. Paul Fire and Marine Insurance Company
St. Paul Guardian Insurance Company

St. Paul Mercury Insurance Company
Travelers Casualty and Surety Company
Travelers Casualty and Surety Company of America
United States Fidelity and Guaranty Company



State of Connecticut

City of Hartford ss.

By: *Robert L. Raney*
Robert L. Raney, Senior Vice President

On this the **7th** day of **July**, 2016, before me personally appeared **Robert L. Raney**, who acknowledged himself to be the Senior Vice President of Farmington Casualty Company, Fidelity and Guaranty Insurance Company, Fidelity and Guaranty Insurance Underwriters, Inc., St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company of America, and United States Fidelity and Guaranty Company, and that he, as such, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing on behalf of the corporations by himself as a duly authorized officer.

In Witness Whereof, I hereunto set my hand and official seal.
My Commission expires the **30th** day of **June**, 2021.



Marie C. Tebault
Marie C. Tebault, Notary Public

This Power of Attorney is granted under and by the authority of the following resolutions adopted by the Boards of Directors of Farmington Casualty Company, Fidelity and Guaranty Insurance Company, Fidelity and Guaranty Insurance Underwriters, Inc., St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company of America, and United States Fidelity and Guaranty Company, which resolutions are now in full force and effect, reading as follows:

RESOLVED, that the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President, any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary may appoint Attorneys-in-Fact and Agents to act for and on behalf of the Company and may give such appointee such authority as his or her certificate of authority may prescribe to sign with the Company's name and seal with the Company's seal bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking, and any of said officers or the Board of Directors at any time may remove any such appointee and revoke the power given him or her; and it is

FURTHER RESOLVED, that the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President may delegate all or any part of the foregoing authority to one or more officers or employees of this Company, provided that each such delegation is in writing and a copy thereof is filed in the office of the Secretary; and it is

FURTHER RESOLVED, that any bond, recognizance, contract of indemnity, or writing obligatory in the nature of a bond, recognizance, or conditional undertaking shall be valid and binding upon the Company when (a) signed by the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary and duly attested and sealed with the Company's seal by a Secretary or Assistant Secretary; or (b) duly executed (under seal, if required) by one or more Attorneys-in-Fact and Agents pursuant to the power prescribed in his or her certificate or their certificates of authority or by one or more Company officers pursuant to a written delegation of authority; and it is

FURTHER RESOLVED, that the signature of each of the following officers: President, any Executive Vice President, any Senior Vice President, any Vice President, any Assistant Vice President, any Secretary, any Assistant Secretary, and the seal of the Company may be affixed by facsimile to any Power of Attorney or to any certificate relating thereto appointing Resident Vice Presidents, Resident Assistant Secretaries or Attorneys-in-Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and any such Power of Attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by such facsimile signature and facsimile seal shall be valid and binding on the Company in the future with respect to any bond or understanding to which it is attached.

I, Kevin E. Hughes, the undersigned, Assistant Secretary, of Farmington Casualty Company, Fidelity and Guaranty Insurance Company, Fidelity and Guaranty Insurance Underwriters, Inc., St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company of America, and United States Fidelity and Guaranty Company do hereby certify that the above and foregoing is a true and correct copy of the Power of Attorney executed by said Companies, which is in full force and effect and has not been revoked.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seals of said Companies this 09 day of April, 2020.


Kevin E. Hughes, Assistant Secretary



To verify the authenticity of this Power of Attorney, call 1-800-421-3880 or contact us at www.travelersbond.com. Please refer to the above-named individuals and the details of the bond to which the power is attached.

**HAWAII ADDENDUM
TO THE DISCLOSURE DOCUMENT**

As to franchises governed by the Hawaii Franchise Investment Law, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

THESE FRANCHISES HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

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

Registered agent in the state authorized to receive service of process:

Commissioner of Securities of the State of Hawaii
Department of Commerce and Consumer Affairs
Business Registration Division
Securities Compliance Branch
335 Merchant Street, Room 203
Honolulu, HI 96813

Items 5 and 7 of the Disclosure Document are modified to also provide that ~~we~~Franchisor defer the payment of all initial fees paid to ~~us~~Franchisor until ~~we have~~Franchisor has performed all of ~~our~~its pre-opening obligations, and you are open for business.

**ILLINOIS ADDENDUM
TO THE DISCLOSURE DOCUMENT**

As to franchises governed by the Illinois Franchise Disclosure Act, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

1. Item 17.u. is modified to provide that you must arbitrate claims against us.
2. Item 17.v. is modified to provide that arbitration shall take place in the location of our corporate headquarters.
3. Item 17.w. is modified to provide that Illinois law applies.
4. Any condition, stipulation, or provision of the Franchise Agreement purporting to bind you to waive compliance with any provision of the Illinois Franchise Disclosure Act or any other law of the State of Illinois is void.
5. Your rights upon Termination and Non-Renewal of an agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.
6. Payment of Initial and Development Fees will be deferred until [the](#) Franchisor has met its initial obligations to franchisee, and franchisee has commenced doing business. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to Franchisor's financial condition.
7. In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

**MARYLAND ADDENDUM
TO THE DISCLOSURE DOCUMENT**

As to franchises governed by the Maryland Franchise Registration and Disclosure Law, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

1. Item 17.b. is modified to also provide, “The general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

2. Item 17.u. is modified to also provide, “A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.”

3. Item 17.v. is modified to also provide, “Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.”

4. Item 5 is modified to also provide: “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.”

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

**MINNESOTA ADDENDUM
TO THE DISCLOSURE DOCUMENT**

Item 5 of the Disclosure Document is modified by adding the following: “The Minnesota Department of Commerce, Securities Section has imposed a financial assurance condition on the Franchisor which is being satisfied by posting a surety bond.”

As to franchises governed by the Minnesota franchise laws, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

- Minn. Stat. §80C.21 and Minn. Rule 2860.4400(J) prohibit the Franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreements can abrogate or reduce (1) any of the franchisee’s rights as provided for in Minnesota Statutes, Chapter 80C, or (2) franchisee’s rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.
- With respect to franchises governed by Minnesota law, the Franchisor will comply with Minn. Stat. Sec. 80C.14 Subds. 3, 4, and 5 which require (except in certain specified cases), that a franchisee be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice for non-renewal of the franchise agreement and that consent to the transfer of the franchise will not be unreasonably withheld.
- The franchisor will protect the franchisee’s rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.

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

- Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.
- The franchisee cannot consent to the Franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J.

~~• NSF checks are governed by Minnesota Statute 604.113, which puts a cap of \$30 on service charges.~~

Also, a court will determine if a bond is required.

The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5.

**NEW YORK ADDENDUM
TO THE DISCLOSURE DOCUMENT**

As to franchises governed by the New York franchise laws, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

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

THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE SET THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

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

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

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

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

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10 year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud or securities law, fraud, embezzlement, fraudulent conversion or misappropriation of property, or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency, or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

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

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

4. The following language replaces the “Summary” section of Item 17(d), titled **“Termination by franchisee”**:

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

5. The following is added to the end of the “Summary” sections of Item 17(v), titled **“Choice of forum,”** and Item 17(w), titled **“Choice of law”**:

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

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

7. Receipts--Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 et seq.), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earlier of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

NORTH DAKOTA ADDENDUM TO THE DISCLOSURE DOCUMENT

As to franchises governed by the North Dakota franchise laws, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

Restrictive Covenants: To the extent that covenants not to compete apply to periods after the term of the franchise agreement, they are generally unenforceable under North Dakota law.

Applicable Laws: North Dakota law will govern the franchise agreement.

Waiver of Trial by Jury: Any waiver of a trial by jury will not apply to North Dakota ~~Franchises~~ Franchised Businesses.

Waiver of Exemplary & Punitive Damages: Any waiver of punitive damages will not apply to North Dakota Franchisees.

General Release: Any requirement that the franchisee sign a general release upon renewal of the franchise agreement does not apply to franchise agreements covered under North Dakota law.

Enforcement of Agreement: Any requirement in the Franchise Agreement that requires the franchisee to pay all costs and expenses incurred by the Franchisor in enforcing the agreement is void. Instead, the prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.

Termination or Liquidated Damages: Section 17(i) of the Franchise Disclosure Document and the third sentence of Section 16.5 of the Franchise Agreement, which requires you to consent to termination or liquidated damages, is hereby deleted as North Dakota determines it be unfair, unjust, and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

Site of Mediation: Item 17(u) of the Disclosure Document and Section 25.9 of the Franchise Agreement provides that the franchisee must agree to the mediation of disputes in Nevada. The Commissioner has determined that franchise agreements, which provide that parties agree to the arbitration or mediation of disputes at a location that is remote from the site of the franchisee's business, are unfair, unjust, or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Item 17(u) of the Disclosure Document and Section 25 of the Franchise Agreement are hereby amended to state that the site of any mediation must be agreeable to all parties and may not be remote from the franchisee's place of business.

Item 5 of the Franchise Disclosure Document and Section 4.1 of the Franchise Agreement are amended to state that payment of your Initial Franchise Fee and ~~Initial~~ Training ~~and Kickstart~~ Marketing Fee will be deferred until we have satisfied our pre-opening obligations to you, and you have commenced business operations.

**RHODE ISLAND ADDENDUM
TO THE DISCLOSURE DOCUMENT**

As to franchises governed by the Rhode Island Franchise Investment Act, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

Item 17.m. of the Disclosure Document is revised to provide:

Section 19-28.1-14 of the Rhode Island Franchise Investment Act prohibits a franchisee to be restricted in choice of jurisdiction or venue. To the extent any such restriction is purported to be required by us, it is void with respect to all franchisees governed under the laws of Rhode Island.

Item 17.w. of the Disclosure Document is revised to provide:

Rhode Island law applies.

**VIRGINIA ADDENDUM
TO THE DISCLOSURE DOCUMENT**

As to franchises governed by the Virginia Retail Franchise Act, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

1. Additional Disclosure. The following statements are added to Item 17.h of the Franchise Disclosure Document.

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Franchise Agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

2. Item 5 of the Franchise Disclosure Document is amended to also state as follows: "The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires ~~us~~[franchisor](#) to defer payment of the initial franchise fee and other initial payments owed by franchisees to the Franchisor until the Franchisor has completed its pre-opening obligations under the franchise agreement."

WASHINGTON ADDENDUM TO THE DISCLOSURE DOCUMENT

~~As to franchises governed by the Washington State Franchise Investment Laws, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.~~

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

~~RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.~~

~~In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.~~

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

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

~~Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.~~

~~RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting~~

~~or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington~~

~~Item 5 of the Disclosure Document is amended to also state: “In lieu of an impound of franchise fees, the Franchisor will not require or accept the payment of any initial franchise fees until the franchisee (a) has received all initial training that it is entitled to under the franchise agreement or disclosure document, and (b) is open for business.”~~

WISCONSIN ADDENDUM

TO THE DISCLOSURE DOCUMENT

As to franchises governed by the Wisconsin Fair Dealership Law, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

~~1.~~ 1. Item 17 is modified to also provide,

If the franchise agreement contains any provisions that conflict with the Wisconsin Fair Dealership Law, the provisions of this Addendum shall prevail to the extent of such conflict.

With respect to franchises governed by Wisconsin law, the Wisconsin Fair Dealership Law applies to most, if not all, franchise agreements and prohibits the termination, cancellation, non-renewal or the substantial change of the competitive circumstances of a dealership agreement without good cause. That Law further provides that 90 days prior written notice of a proposed termination, etc. must be given to the dealer. The dealer has 60 days to cure the deficiency and if the deficiency is cured, the notice is void.

EXHIBIT G-1

LIST OF CURRENT FRANCHISEES

The following is a list of the names of all Franchisees and the address and telephone number of each of their outlets as of the end of our most recently completed fiscal year.

Arizona

~~213 Leilani Felix
Two North Central Ave, 18th & 19th Floor
Phoenix, AZ—85004~~

~~266 Jason Dougher—Phoenix Northwest
21640 N 19th Ave, Suite C9,
Phoenix, AZ 85027
(623) 888-6190~~

~~288 Jason Dougher—Phoenix AZ003
21640 N 19th Ave, Suite C9,
Phoenix, AZ 85027
(623) 888-6190~~

~~267—Barry Maring
21640 North 19th Avenue,
Phoenix, AZ 85027
(602) 962-0888~~

Arkansas

~~247—John and Amanda Martinez
1202 NE McClain Road, Bldg 7,
Bentonville, AR 72712
(833) 484-0063~~

California

~~130—Adrianna D. Smith—Lana Hout
1642 Westwood Blvd., Ste 201
Los Angeles, CA—90024~~

~~226—Felizardo Gaxiola~~

3610 Central Avenue
Suite 400,
Riverside, CA 92506

238 Ryan and Rose Roques
4160 Temescal Canyon Rd., Suite 401,
Corona, CA 92883
(951) 776-5050

253 Michael Faust
5250 Lankershim Blvd Suite 500 1001
Los Angeles, CA 91601

106 Bryan Gonzales
2888 Loker Avenue East #110,
Carlsbad, CA 92010
(858) 578-4111

250 Ken Mauch
501 S Reino Rd Suite 169,
Newbury Park, CA 91320
(925) 918-0451

Eric Johnson
100 South Murphy, Avenue, Suite 200
Sunnyvale, CA 94086
(650) 397-6562

Colorado

214 Kevin and Stephanie Robertson
9878 W Belleview Ave, Suite 2028
Littleton, CO 80123
(720) 295-7579

Connecticut

Kenneth Madison
112 Spencer Street Suite 1A
Manchester, CT 06040
(860) 966-0519

Florida

~~126 Ken Vichinsky
5571 North University Drive Ste 101
Coral Springs, FL 33067
(954) 796-7965~~

~~232 Michael Canales
618 East South Street Suite 500
Orlando, FL 32801
(407) 412-7101~~

~~237 Moe & Andrea Bousaid
9100 Conroy Windermere Rd
Windermere, FL 34786~~

~~239 Andy Rumph Tampa
401 East Jackson Street SunTrust Tower,
Tampa, Florida 33602~~

~~240 Andy Rumph Fort Myers
401 East Jackson Street SunTrust Tower,
Tampa, Florida 33602~~

~~290 Felizardo Gaxiola
5571 No. University Dr, #101
Coral Springs FL 33067
(954) 796-7965~~

Georgia

~~243 Mike Denham & Joe Moon
279 West Crogan Street,
Lawrenceville, GA 30046~~

Idaho

~~229 Brandon Brown
4155 Yellowstone Highway
Ste 1260B,
Pocatello, ID 83202~~

Kentucky

~~252 Adam and Lauren Marley—Louisville
1935 S Hurstbourne Parkway #1098,
Louisville, KY 40220
(502) 321-0103~~

~~257 Adam and Lauren Marley—Lexington
1935 S Hurstbourne Parkway #1098,
Louisville, KY 40220
(502) 321-0103~~

Massachusetts

~~256 John Donovan
126 Reedsdale Road,
Milton, MA 02186~~

Michigan

~~217 Ken Lee
41000 Woodward Avenue, Suite 350 East Building
Bloomfield Hills, MI 48304~~

~~225 Carl and Susan Howard
120 North Washington Square, Suite 380
Lansing, MI 48933~~

Minnesota

~~Scott Krantz
21897 So Diamond Lake Rd # 400-315
Rogers, MN 55374
(612) 662-5488~~

Missouri

~~205 Bruce Thomson—St. Louis Metro
615 1st Capitol Drive,
Saint Charles, MO 63301
(314) 596-7668~~

~~218—Bruce Thomson—Saint Charles
615 1st Capitol Drive,
Saint Charles, MO 63301
(314) 596-7668~~

~~269—Bruce Thomson—West St. Louis
615 1st Capitol Drive,
Saint Charles, MO 63301
(314) 596-7668~~

~~245—John and Amanda Martinez—Kansas City
909 East Republic Road C100,
Springfield, MO—65807
(833) 484-0063~~

~~248—John and Amanda Martinez—Springfield
909 East Republic Road C100,
Springfield, Missouri—65807
833) 484-0063~~

~~259—Chase and Macy Busenbark
501 Memorial Pl,
Farmington, MO 63640
(573) 664-0002~~

Nebraska

~~258—Kevin and Amanda Kohler
1901 Howard Street Suite 324,
Omaha, NE 68102
(402) 230-7003~~

New Hampshire

~~224—Daniel Cisz
20 Trafalgar Square
Suite #443,
Nashua, NH 03063~~

New York

~~215 Gil Tatarsky
122 Main St Suite 828,
New Paltz, NY 12561~~

~~206 Greg Carafello
One World Trade Center
Suite 8500,
New York, NY 10007~~

~~263 Peter Gregory
169 Mamaroneck Avenue Suite 63,
White Plains, NY 10601
(914) 295-2203~~

North Carolina

~~North Carolina
203 Scott and Christie Curtis
301 MeVullough Drive Suite 400,
Charlotte, NC 28262
(704) 428-9010~~

~~275 Richard Fosman - Mooresville
353 St James Dr,
Winston Salem, NC 27107
(442) 237-1017~~

~~273 Richard Fosman - Mooresville
353 St James Dr,
Winston Salem, NC 27107
(442) 237-1017~~

~~274 Richard Fosman - Greensboro
353 St James Dr,
Winston Salem, NC 27107
(442) 237-1017~~

~~278 Dale Brunelle - Raleigh
8480 Honeycutt Road, Suite 200-V299,~~

~~Raleigh, NC 27615
(508) 667-3886~~

~~276 Dale Brunelle Cary
8480 Honeycutt Road, Suite 200 V299,
Raleigh, NC 27615
(508) 667-3886~~

~~277 Dale Brunelle Durham
8480 Honeycutt Road, Suite 200 V299,
Raleigh, NC 27615
(508) 667-3886~~

North Dakota

~~254 Barry Maring
2534 University Drive # 6
Fargo, ND 58103
(701) 232-4020~~

Ohio

~~223 Brandon and Nickey Owens
3481 South Dixie Highway
Suite #300,
Middletown, OH 45044~~

~~242 Eric Iffland
7621 Central Avenue,
Toledo, OH 43617
(567) 408-2068~~

~~242 Franz Nunziata
1900 Polaris Parkway Suite 450 777,
Columbus, OH 43240~~

Oregon

~~227 Daniel Mulligan
3334 NE 79th Ave,
Portland OR 97213
(503) 550-1689~~

Pennsylvania

~~228 Sam Meister
100 First Avenue
Suite 450,
Pittsburgh, PA 15222
(412) 406-6281~~

~~236 Jonathan and Daniel Ring
600 West Germantown Pike,
Suite 400
Plymouth Meeting, PA 19462
(484) 326-2718~~

South Carolina

~~260 Daniel Ober
186 Fresh Dr,
Myrtle Beach, SC 29579
(605) 413-1871~~

South Dakota

~~244 Scott Kranz
9605 West Broek Drive,
Sioux Falls, SD 57106~~

Tennessee

~~262 Russell and Sydney Carriere—Knoxville
9111 Cross Park Drive D200,
Knoxville, TN 37923
(865) 255-4731~~

~~282 Russell and Sydney Carriere—Gatlinburg
Russell and Sydney Carriere
9111 Cross Park Drive D200,
Knoxville, TN 37923
(865) 255-4731~~

~~283 Russell and Sydney Carriere—Chatanooga
9111 Cross Park Drive D200,
Knoxville, TN 37923
(865) 255-4731~~

~~284 Russell and Sydney Carriere—Hendersonville
2550 Meridian Blvd, Suite 200,~~

~~Franklin, Tennessee, 37067
(615) 288-6886~~

~~285 Russell and Sydney Carriere—Murfreesboro
2550 Meridian Blvd, Suite 200,
Franklin, Tennessee, 37067
(615) 288-6886~~

~~287 Russell and Sydney Carriere—Nashville
2550 Meridian Blvd, Suite 200,
Franklin, Tennessee, 37067
(615) 288-6886~~

~~268 Russell and Sydney Carriere—Franklin
2550 Meridian Blvd, Suite 200,
Franklin, Tennessee, 37067
(615) 288-6886~~

Texas

~~137 Timothy and Bonnie Benkula
2925 Gulf Freeway South Ste B #277,
League City, TX 77573
(832) 856-7890~~

~~145 Lenwood and Katie Mills
10777 Westheimer Road Suite 1100-001,
Houston, TX 77042
(713) 806-7013~~

~~249 John and Amanda Martinez
6136 Frisco Square Boulevard Suite 400,
Frisco, TX 75034
(833) 484-0063~~

~~255 Browning Williams
5847 San Felipe Street Suite 620,
Houston, TX 77057
(713) 595-6976~~

~~272 Leilani Felix and Fernando Acosta
221 N Kansas St #700,
El Paso, TX 79901
(915) 314-0001~~

~~261 Felizardo Gaxiola
701 Commerce Street,
Dallas, TX 75202
(951) 848-6010~~

~~264 Himanshu Nidhi Neil Trivedi
7210 N Eldridge Parkway
Houston, TX 77041
(346) 529-2222~~

~~270 Justin Dalton and Chris Pallagi—Austin West
14425 Falcon Head Boulevard, Suite 115,
Austin, TX 78738
(737) 220-1721~~

~~279 Justin Dalton and Chris Pallagi—Austin South
14425 Falcon Head Boulevard, Suite 115,
Austin, TX 78738
(737) 220-1721~~

~~280 Justin Dalton and Chris Pallagi—Austin North
14425 Falcon Head Boulevard, Suite 115,
Austin, TX 78738
(737) 220-1721~~

~~271 Justin Dalton and Chris Pallagi—Austin East
14425 Falcon Head Boulevard, Suite 115,
Austin, TX 78738
(737) 220-1721~~

Utah

~~141 Craig and Jill Smith
802 E Bamberger Dr
Suite A,
American Fork, UT 84003
(801) 319-7278~~

~~216 Phil Neuenswander
420 West 1500 South, Suite #106,
Bountiful, UT 84010
(801) 513-9070~~

~~286—Mike and Lynn Lee~~

~~26 S. Rio Grande Street #2072,
Salt Lake City, UT 84101
(435) 800-4400~~

Virginia

~~201 Richmond
William and Patricia Griswold
4110 East Parham Road Suite 206,
Henrico, VA 23228
(804) 520-7557~~

~~200 Tim Johnson Chesapeake
5347 Lila Lane Suite 101,
Virginia Beach, VA 23464
(757) 866-2321~~

~~204 Tim Johnson Virginia Beach
5347 Lila Lane Suite 101,
Virginia Beach, VA 23464
(757) 866-2321~~

~~202 Tim Johnson Suffolk
5347 Lila Lane Suite 101,
Virginia Beach, VA 23464
(757) 866-2321~~

~~208 Tim Johnson Norfolk
5347 Lila Lane Suite 101,
Virginia Beach, VA 23464
(757) 866-2321~~

~~251 Jonathan Ring
520 12th street south suite 339,
Pentagon City, VA 22202
(202) 681-6777~~

Washington

~~James Shin
4500 9th Avenue Northeast Suite 300,
Seattle, WA 98105
(844) 424-9725~~

<u>Location</u>	<u>Owners</u>	<u>Phone</u>	<u>Address</u>	<u>City</u>	<u>State</u>	<u>Zip</u>
<u>Arizona</u>						
<u>267 - Scottsdale</u>	<u>Barry Maring</u>	<u>602-962-0888</u>	<u>21640 North 19th Avenue, Suite C-9</u>	<u>Phoenix</u>	<u>AZ</u>	<u>85027</u>
<u>213 - Phoenix</u>	<u>Leilani Felix and Fernando Acosta</u>	<u>602-675-4261</u>	<u>2 North Central Ave 18th & 19th Floor</u>	<u>Phoenix</u>	<u>AZ</u>	<u>85004</u>
<u>288 - Phoenix AZ003</u>	<u>Jason Dougher</u>	<u>623-888-6190</u>	<u>21640 N 19th Ave, Suite C9</u>	<u>Phoenix</u>	<u>AZ</u>	<u>85027</u>
<u>266 - Phoenix Northwest</u>	<u>Jason Dougher</u>	<u>623-888-6190</u>	<u>21640 N 19th Ave, Suite C9</u>	<u>Phoenix</u>	<u>AZ</u>	<u>85027</u>
<u>California</u>						
<u>238 - Corona - Ontario, CA</u>	<u>Rose Roques and Ryan Roques</u>	<u>951-776-5050</u>	<u>4160 Temescal Canyon Rd., Suite 401</u>	<u>Corona</u>	<u>CA</u>	<u>92883</u>
<u>253 - Van Nuys CA</u>	<u>Mike Faust</u>	<u>818-810-4242</u>	<u>5250 Lankershim Boulevard, Suite 500 - #1001</u>	<u>Los Angeles</u>	<u>CA</u>	<u>91601</u>
<u>106 - San Diego North County</u>	<u>Bryan Gonzales</u>	<u>858-578-4111</u>	<u>2888 Loker Avenue East #110</u>	<u>Carlsbad</u>	<u>CA</u>	<u>92010</u>
<u>130 - Los Angeles</u>	<u>Adrianna Smith and Lana Hout</u>	<u>424-832-3410</u>	<u>11900 West Olympic Boulevard Ste 480</u>	<u>Los Angeles</u>	<u>CA</u>	<u>90064</u>
<u>318- San Clemente</u>	<u>Saba Safiari</u>	<u>831-588-4958</u>	<u>17875 Von Karman Avenue, #150</u>	<u>Irvine</u>	<u>CA</u>	<u>92614</u>
<u>298- Orange County</u>	<u>Saba Safiari</u>	<u>831-588-4958</u>	<u>17875 Von Karman Avenue, #150</u>	<u>Irvine</u>	<u>CA</u>	<u>92614</u>
<u>314- Huntington Beach</u>	<u>Saba Safiari</u>	<u>831-588-4958</u>	<u>28412 Calle Pinata</u>	<u>San Juan Cap</u>	<u>CA</u>	<u>92675</u>
<u>226 - Riverside</u>	<u>Felizardo Gaxiola</u>	<u>951-848-6010</u>	<u>3610 Central Avenue Suite 400</u>	<u>Riverside</u>	<u>CA</u>	<u>92506</u>
<u>324- Yorba Linda</u>	<u>Felizardo Gaxiola</u>	<u>951-848-6010</u>	<u>3610 Central Ave</u>	<u>Yorba Linda</u>	<u>CA</u>	<u>92808</u>
<u>317- San Diego International</u>	<u>Felizardo Gaxiola</u>	<u>619-694-5498</u>	<u>600 W Broadway # 700</u>	<u>San Diego</u>	<u>CA</u>	<u>92101</u>
<u>144 - San Diego Del Mar</u>	<u>Jeff Nyman and Linda Nyman</u>	<u>858-598-2770</u>	<u>445 Marine View Avenue, Suite 300</u>	<u>Del Mar</u>	<u>CA</u>	<u>92014</u>
<u>300 - Walnut Creek</u>	<u>Eric Johnson</u>	<u>650-397-6562</u>	<u>100 South Murphy, Avenue, Suite 200</u>	<u>Sunnyvale</u>	<u>CA</u>	<u>94086</u>
<u>303 - Fremont</u>	<u>Eric Johnson</u>	<u>650-397-6562</u>	<u>100 South Murphy, Avenue, Suite 200</u>	<u>Sunnyvale</u>	<u>CA</u>	<u>94086</u>
<u>304 - San Jose</u>	<u>Eric Johnson</u>	<u>650-397</u>	<u>100 South Murphy,</u>	<u>Sunnyvale</u>	<u>CA</u>	<u>9408</u>

<u>Location</u>	<u>Owners</u>	<u>Phone</u>	<u>Address</u>	<u>City</u>	<u>State</u>	<u>Zip</u>
		<u>-6562</u>	<u>Avenue, Suite 200</u>			<u>6</u>
<u>305 - Salinas</u>	<u>Eric Johnson</u>	<u>650-397-6562</u>	<u>100 South Murphy, Avenue, Suite 200</u>	<u>Sunnyvale</u>	<u>CA</u>	<u>94086</u>
<u>289 - Silicon Valley West</u>	<u>Eric Johnson</u>	<u>650-397-6562</u>	<u>100 S. Murphy, Ave , Suite 200</u>	<u>Sunnyvale</u>	<u>CA</u>	<u>94086</u>
<u>306 - San Mateo</u>	<u>Eric Johnson</u>	<u>650-397-6562</u>	<u>100 South Murphy, Avenue, Suite 200</u>	<u>Sunnyvale</u>	<u>CA</u>	<u>94086</u>
<u>299 - South San Francisco</u>	<u>Eric Johnson</u>	<u>650-397-6562</u>	<u>100 South Murphy, Avenue, Suite 200</u>	<u>Sunnyvale</u>	<u>CA</u>	<u>94086</u>
<u>301- North San Francisco</u>	<u>Eric Johnson</u>	<u>650-397-6562</u>	<u>100 South Murphy, Avenue, Suite 200</u>	<u>Sunnyvale</u>	<u>CA</u>	<u>94086</u>
<u>302 - Santa Rosa</u>	<u>Eric Johnson</u>	<u>650-397-6562</u>	<u>100 South Murphy, Avenue, Suite 200</u>	<u>Sunnyvale</u>	<u>CA</u>	<u>94086</u>
<u>Colorado</u>						
<u>214 - Denver</u>	<u>Stephanie and Kevin Robertson</u>	<u>720-295-7579</u>	<u>9878 W Belleview Ave, Suite 2028</u>	<u>Littleton</u>	<u>CO</u>	<u>80123</u>
<u>310 - Colorado Springs</u>	<u>Terry McDonald</u>	<u>800-940-9109</u>	<u>102 S Tejon St # 1100</u>	<u>Colorado Springs</u>	<u>CO</u>	<u>80903</u>
<u>Connecticut</u>						
<u>265 - East Hartford</u>	<u>Kenneth Madison</u>	<u>860-966-0519</u>	<u>112 Spencer Street Suite 1A</u>	<u>Manchester</u>	<u>CT</u>	<u>6040</u>
<u>321- Shoreline</u>	<u>Louis Goldblatt</u>	<u>860-334-4769</u>	<u>165 Shore Drive</u>	<u>Branford</u>	<u>CT</u>	<u>6405</u>
<u>Florida</u>						
<u>237 - Orlando Metro</u>	<u>Mounir and Andrea Bousaid</u>	<u>725-237-3089</u>	<u>9100 Conroy Windermere Rd, Suite 200</u>	<u>Windermere, FL</u>	<u>FL</u>	<u>34786</u>
<u>232 - Orlando South</u>	<u>Michael Canales</u>	<u>407-412-7101</u>	<u>390 N. Orange Ave. suite 2300</u>	<u>Orlando</u>	<u>FL</u>	<u>32801</u>
<u>315 - Tampa, FL</u>	<u>John Piskor</u>	<u>413-230-6567</u>	<u>12 Maxine Circle</u>	<u>Easthampton</u>	<u>FL</u>	<u>10207</u>
<u>240 - Fort Myers</u>	<u>Andy Rumph</u>	<u>239-478-3864</u>	<u>401 East Jackson Street, SunTrust Tower</u>	<u>Fort Myers</u>	<u>FL</u>	<u>33602</u>
<u>290 - Miami Metro FL</u>	<u>Felizardo Gaxiola</u>	<u>(305) 853-8567</u>	<u>1001 Brickell Bay Dr. #2700</u>	<u>Miami</u>	<u>FL</u>	<u>33131</u>
<u>322- Panama City, FL</u>	<u>Natalie Kessler-Tiphonie</u>	<u>850-532-0075</u>	<u>415 Richard Johnson Blvd # 201</u>	<u>Panama City beach</u>	<u>FL</u>	<u>32407</u>

<u>Location</u>	<u>Owners</u>	<u>Phone</u>	<u>Address</u>	<u>City</u>	<u>State</u>	<u>Zip</u>
	<u>Spradin</u>					
<u>309 - Lake Nona</u>	<u>Daniel Vasconcelos</u>	<u>803-716-4141</u>	<u>6900 Tavistock Lakes # 400</u>	<u>Lake Nona</u>	<u>FL</u>	<u>32827</u>
<u>Georgia</u>						
<u>243 - Atlanta Metro</u>	<u>Joe Moon and Mike Denham</u>	<u>770-203-1100</u>	<u>1026 12 oaks</u>	<u>Athens</u>	<u>GA</u>	<u>30677</u>
<u>307 - Duluth</u>	<u>Joe Moon and Mike Denham</u>	<u>770-203-1100</u>	<u>279 W Crogan Street</u>	<u>Lawrenceville</u>	<u>GA</u>	<u>30046</u>
<u>308 - Alpharetta</u>	<u>Joe Moon and Mike Denham</u>	<u>770-203-1100</u>	<u>279 W Crogan Street</u>	<u>Lawrenceville</u>	<u>GA</u>	<u>30046</u>
<u>Idaho</u>						
<u>229 - Pocatello/South Idaho</u>	<u>Mike Lee and Lynn Lee</u>	<u>435-800-4400</u>	<u>1120 S. Rackham Way, Suite 300</u>	<u>Meridian</u>	<u>ID</u>	<u>83642</u>
<u>294 - North Idaho</u>	<u>Mike Lee and Lynn Lee</u>	<u>435-800-4400</u>	<u>1120 S. Rackham Way, Suite 300</u>	<u>Meridian</u>	<u>ID</u>	<u>83642</u>
<u>Illinois</u>						
<u>313 - Naperville IL</u>	<u>Domonic Wilkerson and Saba Safiari</u>	<u>831-588-4958</u>	<u>1112 Wilder Court</u>	<u>Naperville</u>	<u>IL</u>	<u>60540</u>
<u>312 - Chicago West</u>	<u>Brian Sauvageau</u>	<u>630-310-7392</u>	<u>3118 Charlemagne Lane</u>	<u>St Charles</u>	<u>IL</u>	<u>60174</u>
<u>Iowa</u>						
<u>316 - Des Moines, IA</u>	<u>Scott Krantz</u>	<u>612-662-5488</u>	<u>21897 South Diamond Lake Road Ste 400-315</u>	<u>Rogers</u>	<u>MN</u>	<u>55374</u>
<u>Kansas</u>						
<u>320- Kansas City, KS</u>	<u>Amanda (AJ) Kohler</u>	<u>402-230-7003</u>	<u>1901 Howard Street Suite 324</u>	<u>Omaha</u>	<u>NE</u>	<u>68102</u>
<u>319- Overland Park</u>	<u>Amanda (AJ) Kohler</u>	<u>402-230-7003</u>	<u>1901 Howard Street Suite 324</u>	<u>Omaha</u>	<u>NE</u>	<u>68102</u>
<u>Kentucky</u>						
<u>252 - Louisville, KY</u>	<u>Lauren and Adam Marley</u>	<u>502-321-0103</u>	<u>1935 S Hurstbourne Parkway #1098</u>	<u>Lexinton</u>	<u>KY</u>	<u>40220</u>
<u>257- Lexington</u>	<u>Lauren and Adam Marley</u>	<u>502-351-0106</u>	<u>1935 S Hurstbourne Parkway #1098</u>	<u>Louisville</u>	<u>KY</u>	<u>40220</u>
<u>Massachusetts</u>						
<u>256 - Boston</u>	<u>John Donovan</u>	<u>617-799-5077</u>	<u>126 Reedsdale Rd</u>	<u>Milton</u>	<u>MA</u>	<u>2186</u>

<u>Location</u>	<u>Owners</u>	<u>Phone</u>	<u>Address</u>	<u>City</u>	<u>State</u>	<u>Zip</u>
<u>Michigan</u>						
<u>217 - Birmingham</u>	<u>Ken Lee</u>	<u>248-218-2630</u>	<u>41000 Woodward Avenue Suite 350 East Building</u>	<u>Bloomfield Hills</u>	<u>MI</u>	<u>48304</u>
<u>Minnesota</u>						
<u>235- Minneapolis NW</u>	<u>Scott Kranz</u>	<u>612-662-5488</u>	<u>21897 South Diamond Lake Road Ste 400-315</u>	<u>Rogers</u>	<u>MN</u>	<u>55374</u>
<u>Missouri</u>						
<u>205 - St. Louis</u>	<u>Bruce Thompson</u>	<u>636-445-5444</u>	<u>615 1st Capitol Drive</u>	<u>Saint Charles</u>	<u>MO</u>	<u>63301</u>
<u>269 - West St. Louis</u>	<u>Bruce Thompson</u>	<u>636-445-5444</u>	<u>615 1st Capitol Drive</u>	<u>Saint Charles</u>	<u>MO</u>	<u>63301</u>
<u>245 - Kansas City MO</u>	<u>Amanda and John Martinez</u>	<u>833-484-0063</u>	<u>909 E Republic Rd # C100</u>	<u>Springfield</u>	<u>MO</u>	<u>65807</u>
<u>248 - Springfield MO</u>	<u>Amanda and John Martinez</u>	<u>833-484-0063</u>	<u>909 E Republic Rd # C100</u>	<u>Springfield</u>	<u>MO</u>	<u>65807</u>
<u>218 - Saint Charles</u>	<u>Bruce Thompson</u>	<u>636-445-5444</u>	<u>615 1st Capitol Drive</u>	<u>Saint Charles</u>	<u>MO</u>	<u>63301</u>
<u>259 - SE Missouri</u>	<u>Chase and Macy Busenbark</u>	<u>573-664-0002</u>	<u>501 Memorial Pl</u>	<u>Farmington</u>	<u>MO</u>	<u>63640</u>
<u>249 - SouthWest MO</u>	<u>Amanda and John Martinez</u>	<u>833-484-0063</u>	<u>909 E Republic Rd # C100</u>	<u>Springfield</u>	<u>MO</u>	<u>65807</u>
<u>247 - East Kansas City MO</u>	<u>Amanda and John Martinez</u>	<u>833-484-0063</u>	<u>909 E Republic Rd # C100</u>	<u>Springfield</u>	<u>MO</u>	<u>65807</u>
<u>Montana</u>						
<u>293 - Missoula</u>	<u>Mike Lee and Lynn Lee</u>	<u>435-800-4400</u>	<u>15 North Higgins Ave</u>	<u>Missoula</u>	<u>MT</u>	<u>59802</u>
<u>North Carolina</u>						
<u>203 -Charlotte</u>	<u>Scott and Christie Curtis</u>	<u>704-649-8068</u>	<u>301 McCullough Drive #400</u>	<u>Charlotte</u>	<u>NC</u>	<u>28262</u>
<u>278 - Raleigh</u>	<u>Dale Brunelle</u>	<u>919-651-8353</u>	<u>8480 Honeycutt Road, Suite 200-V299</u>	<u>Raleigh</u>	<u>NC</u>	<u>27615</u>
<u>276-Cary</u>	<u>Dale Brunelle</u>	<u>919-651-8353</u>	<u>8480 Honeycutt Road, Suite 200-V299</u>	<u>Raleigh</u>	<u>NC</u>	<u>27615</u>
<u>277-Durham</u>	<u>Dale Brunelle</u>	<u>984-325-0223</u>	<u>8480 Honeycutt Road, Suite 200-V299</u>	<u>Raleigh</u>	<u>NC</u>	<u>27615</u>
<u>275-Mooresville</u>	<u>Richard Fosman</u>	<u>336-505-4321</u>	<u>717 Green Valley Road, Suite 200</u>	<u>Greensboro</u>	<u>NC</u>	<u>27408</u>

<u>Location</u>	<u>Owners</u>	<u>Phone</u>	<u>Address</u>	<u>City</u>	<u>State</u>	<u>Zip</u>
<u>273-Piedmont</u>	<u>Richard Fosman</u>	<u>336-505</u> <u>-4321</u>	<u>717 Green Valley</u> <u>Road, Suite 200</u>	<u>Greensboro</u>	<u>NC</u>	<u>2740</u> <u>8</u>
<u>274-Greensboro</u>	<u>Richard Fosman</u>	<u>336-505</u> <u>-4321</u>	<u>717 Green Valley</u> <u>Road, Suite 200</u>	<u>Greensboro</u>	<u>NC</u>	<u>2740</u> <u>8</u>
<u>North Dakota</u>						
<u>254 - North Dakota</u>	<u>Barry Maring</u>	<u>701-232</u> <u>-4020</u>	<u>2534 University Dr S</u> <u>Ste 6</u>	<u>Fargo</u>	<u>ND</u>	<u>5810</u> <u>3</u>
<u>Nebraska</u>						
<u>258 - Omaha NE</u>	<u>Amanda (AJ) Kohler</u>	<u>402-230</u> <u>-7003</u>	<u>1901 Howard Street</u> <u>Suite 324</u>	<u>Omaha</u>	<u>NE</u>	<u>6810</u> <u>2</u>
<u>New Hampshire</u>						
<u>224 - Nashua</u>	<u>Daniel Cisz Jr</u>	<u>603-589</u> <u>-4049</u>	<u>20 Trafalgar Square</u> <u>Suite #443</u>	<u>Nashua</u>	<u>NH</u>	<u>3063</u>
<u>New Mexico</u>						
<u>291 - Albuquerque</u>	<u>Tony Shurter</u>	<u>505-999</u> <u>-1260</u>	<u>6300 Riverside Plaza</u> <u>NW Suite 100</u>	<u>Albuquerque</u>	<u>NM</u>	<u>8712</u> <u>0</u>
<u>Nevada</u>						
<u>101 - Las Vegas</u>	<u>Jeff Nyman and</u> <u>Linda Nyman</u>	<u>(702)</u> <u>368-250</u> <u>0</u>	<u>851 S. Rampart Suite</u> <u>200</u>	<u>Las Vegas</u>	<u>NV</u>	<u>8914</u> <u>5</u>
<u>New York</u>						
<u>206 - Manhattan</u>	<u>Gregory Carafello</u>	<u>212-220</u> <u>-5900</u>	<u>One World Trade</u> <u>Center Suite 8500</u>	<u>New York</u>	<u>NY</u>	<u>1000</u> <u>7</u>
<u>215 - Hudson</u> <u>Valley</u>	<u>Gil Tatarsky</u>	<u>845-400</u> <u>-2420</u>	<u>42 Catharine Street,</u> <u>Suite A,</u>	<u>Poughkeepsie</u>	<u>NY</u>	<u>1260</u> <u>1</u>
<u>263 - Westchester</u> <u>North</u>	<u>Peter Gregory</u>	<u>914-295</u> <u>-2203</u>	<u>169 Mamaroneck</u> <u>Avenue Suite 63</u>	<u>White Plains</u>	<u>NY</u>	<u>1060</u> <u>1</u>
<u>Ohio</u>						
<u>223 - Cincinnati</u>	<u>Brandon and Nickey</u> <u>Owens</u>	<u>513-392</u> <u>-0989</u>	<u>4513 Rosedale Road</u>	<u>Middletown</u>	<u>OH</u>	<u>4504</u> <u>2</u>
<u>241 - Columbus,</u> <u>OH</u>	<u>Frank Nunziata</u>	<u>740-965</u> <u>-1981</u>	<u>1900 Polaris Parkway</u> <u>Suite 450-777</u>	<u>Columbus</u>	<u>OH</u>	<u>4324</u> <u>0</u>
<u>242 - Toledo, OH</u>	<u>Eric Iffland</u>	<u>419-318</u> <u>-7403</u>	<u>9966 Sylvania Ave</u>	<u>Sylvania</u>	<u>OH</u>	<u>4356</u> <u>0</u>
<u>323- Akron</u>	<u>Michael Thomas</u>	<u>234-738</u> <u>-9068</u>	<u>3704 Kenway Blvd</u>	<u>Akron</u>	<u>OH</u>	<u>4430</u> <u>9</u>
<u>Oregon</u>						
<u>227 - Portland</u>	<u>Daniel Mulligan</u>	<u>503-206</u>	<u>17401 Northeast</u>	<u>Portland</u>	<u>OR</u>	<u>9721</u>

<u>Location</u>	<u>Owners</u>	<u>Phone</u>	<u>Address</u>	<u>City</u>	<u>State</u>	<u>Zip</u>
		<u>-6669</u>	<u>Halsey Street</u>			<u>3</u>
<u>Pennsylvania</u>						
<u>228 - Pittsburgh</u>	<u>Samuel Meister</u>	<u>412-406-6281</u>	<u>100 First Avenue, Suite 450</u>	<u>Pittsburg</u>	<u>PA</u>	<u>15222</u>
<u>236 - Suburban Philadelphia</u>	<u>Jonathan Ring and Daniel Ring</u>	<u>484-326-2718</u>	<u>600 W Germantown Pike# 400</u>	<u>Plymouth Meeting</u>	<u>PA</u>	<u>19462</u>
<u>South Carolina</u>						
<u>260 - Myrtle Beach</u>	<u>Daniel Ober</u>	<u>843-492-5162</u>	<u>186 Fresh Dr</u>	<u>Myrtle Beach</u>	<u>SC</u>	<u>29579</u>
<u>311 - Charleston</u>	<u>Daniel Ober</u>	<u>843-492-5162</u>	<u>186 Fresh Drive</u>	<u>Charleston</u>	<u>SC</u>	<u>29579</u>
<u>South Dakota</u>						
<u>244 - Sioux Falls South Dakota</u>	<u>Scott Kranz</u>	<u>605-413-1871</u>	<u>9605 W Broek Drive</u>	<u>Sioux Falls</u>	<u>SD</u>	<u>57106</u>
<u>Tennessee</u>						
<u>287- Central Nashville</u>	<u>Russell & Sydney Carriere</u>	<u>865-255-4731</u>	<u>2550 Meridian Blvd, Suite 200</u>	<u>Franklin</u>	<u>TN</u>	<u>37067</u>
<u>282 - Gatlinburg</u>	<u>Russell and Sydney Carriere</u>	<u>615-288-6886</u>	<u>9111 Cross Park Drive D200</u>	<u>Knoxville</u>	<u>TN</u>	<u>37923</u>
<u>262 - Knoxville</u>	<u>Russell and Sydney Carriere</u>	<u>615-288-6886</u>	<u>9111 Cross Park Drive D200</u>	<u>Knoxville</u>	<u>TN</u>	<u>37923</u>
<u>283 - Chattanooga</u>	<u>Russell and Sydney Carriere</u>	<u>615-288-6886</u>	<u>9111 Cross Park Drive D200</u>	<u>Knoxville</u>	<u>TN</u>	<u>37923</u>
<u>284- Hendersonville</u>	<u>Russell and Sydney Carriere</u>	<u>865-255-4731</u>	<u>2550 Meridian Blvd, # 200</u>	<u>Franklin</u>	<u>TN</u>	<u>37067</u>
<u>285- Murfreesboro</u>	<u>Russell and Sydney Carriere</u>	<u>865-255-4731</u>	<u>2550 Meridian Blvd, Suite 200</u>	<u>Franklin</u>	<u>TN</u>	<u>37067</u>
<u>268- Nashville</u>	<u>Russell and Sydney Carriere</u>	<u>865-255-4731</u>	<u>2550 Meridian Blvd, Suite 200</u>	<u>Franklin</u>	<u>TN</u>	<u>37067</u>
<u>Texas</u>						
<u>264 - Houston Lakeside</u>	<u>Himanshu (Hugh) Nidhi Neil Trivedi</u>	<u>346-529-2222</u>	<u>7210 N Eldridge Parkway</u>	<u>Houston</u>	<u>TX</u>	<u>77041</u>
<u>255 - Houston Memorial</u>	<u>Browning Williams</u>	<u>713-805-2800</u>	<u>5847 San Felipe Street Suite 620</u>	<u>Houston</u>	<u>TX</u>	<u>77057</u>
<u>261 - Dallas Metro</u>	<u>Felizardo Gaxiola</u>	<u>(951) 848-601</u>	<u>701 Commerce Street</u>	<u>Dallas</u>	<u>TX</u>	<u>75202</u>

<u>Location</u>	<u>Owners</u>	<u>Phone</u>	<u>Address</u>	<u>City</u>	<u>State</u>	<u>Zip</u>
		<u>0</u>				
<u>280-Austin North</u>	<u>Justin Dalton and Chris Pallagi</u>	<u>737-220-1721</u>	<u>14425 Falcon Head Boulevard, Suite 115</u>	<u>Austin</u>	<u>TX</u>	<u>78738</u>
<u>279-Austin South</u>	<u>Justin Dalton and Chris Pallagi</u>	<u>737-220-1721</u>	<u>14425 Falcon Head Boulevard, Suite 115</u>	<u>Austin</u>	<u>TX</u>	<u>78738</u>
<u>270-Austin West</u>	<u>Justin Dalton and Chris Pallagi</u>	<u>737-220-1721</u>	<u>14425 Falcon Head Boulevard, Suite 115</u>	<u>Austin</u>	<u>TX</u>	<u>78738</u>
<u>271-Austin East</u>	<u>Justin Dalton and Chris Pallagi</u>	<u>737-220-1721</u>	<u>14425 Falcon Head Blvd, # 115</u>	<u>Austin</u>	<u>TX</u>	<u>78738</u>
<u>272-El Paso</u>	<u>Leilani Felix and Fernando Acosta</u>	<u>915-314-0001</u>	<u>221 N Kansas St #700</u>	<u>El Paso</u>	<u>TX</u>	<u>79901</u>
<u>Utah</u>						
<u>216 - Bountiful</u>	<u>Phil Neuenswander</u>	<u>801-513-9070</u>	<u>420 West 1500 South Suite #106</u>	<u>Bountiful</u>	<u>UT</u>	<u>84010</u>
<u>286 - Salt Lake - Park City</u>	<u>Mike Lee and Lynn Lee</u>	<u>435-800-4400</u>	<u>26 S. Rio Grande Street #2072</u>	<u>Salt Lake City</u>	<u>UT</u>	<u>84101</u>
<u>292 - Salt Lake West</u>	<u>Mike Lee and Lynn Lee</u>	<u>435-800-4400</u>	<u>26 S. Rio Grande Street #2072</u>	<u>Salt Lake City</u>	<u>UT</u>	<u>84101</u>
<u>295 - South Utah</u>	<u>Mike Lee and Lynn Lee</u>	<u>435-800-4400</u>	<u>26 S. Rio Grande Street #2072</u>	<u>Salt Lake City</u>	<u>UT</u>	<u>84101</u>
<u>296 - North Utah</u>	<u>Mike Lee and Lynn Lee</u>	<u>435-800-4400</u>	<u>26 S. Rio Grande Street #2072</u>	<u>Salt Lake City</u>	<u>UT</u>	<u>84101</u>
<u>Virginia</u>						
<u>201 - Richmond</u>	<u>William and Patricia Griswold</u>	<u>804-520-7557</u>	<u>4110 East Parham Road Suite 206</u>	<u>Henrico</u>	<u>VA</u>	<u>23228</u>
<u>251 - DC Metro</u>	<u>Jonathan Ring</u>	<u>202-681-6777</u>	<u>520 12th street south suite 339</u>	<u>Pentagon City</u>	<u>VA</u>	<u>22202</u>
<u>200 -Chesapeake</u>	<u>Timothy Johnson</u>	<u>757-866-2321</u>	<u>5347 Lila Lane Suite 101</u>	<u>Virginia Beach</u>	<u>VA</u>	<u>23464</u>
<u>204-Virginia Beach</u>	<u>Timothy Johnson</u>	<u>757-866-2321</u>	<u>5347 Lila Lane Suite 101</u>	<u>Virginia Beach</u>	<u>VA</u>	<u>23464</u>
<u>208-Norfolk</u>	<u>Timothy Johnson</u>	<u>757-866-2321</u>	<u>5347 Lila Lane Suite 101</u>	<u>Virginia Beach</u>	<u>VA</u>	<u>23464</u>
<u>Washington</u>						
<u>234 - Seattle Metro</u>	<u>James Shin</u>	<u>206-590-1792</u>	<u>4500 9th Ave N.E. Suite 300</u>	<u>Seattle</u>	<u>WA</u>	<u>98105</u>

Franchise Agreements Signed but Outlet Not Yet Open (as of ~~12/31/2023~~ 12/31/2024)

NONE.

|

EXHIBIT G-2

FORMER FRANCHISEES

The following is a list of the names, city and state, and current business telephone number, or if unknown, the last known home telephone number of every franchisee 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 have not communicated with [usFCBB](#) 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 system.

TRANSFERRED

~~222 Mounir & Andrea Bousaid
9375 E Shea Blvd Suite 266,
Scottsdale, AZ 85260
(602) 962-0888~~

~~246 West St. Louis
John & Amanda Martinez
100 Chesterfield Business Pkwy# 200,
Chesterfield, MO 63005
(636) 252-4113~~

~~209 Lenwood Mills*
2500 Regency Parkway
Cary, NC 27518
(919) 651-8353~~

~~*Our North Carolina franchisee sold 2 territories in 2023.~~

<u>Location</u>	<u>First Name</u>	<u>Last Name</u>	<u>Cell</u>
<u>Tampa, FL</u>	<u>Andy</u>	<u>Rumph</u>	<u>239-478-3864</u>
<u>Boise ID</u>	<u>Brandon</u>	<u>Brown</u>	<u>208-427-4258</u>

NOT RENEWED OR TERMINATED

~~231 Quin Rasmussen
120 South Reserve # 110
Missoula MT 59801
(406) 431-6260~~

~~133 Patrick Marsch Jr and Adam Weaver
4117 Hilsboro Pike, Suite 103-350
Nashville, TN 37215
(615) 450-0410~~

EXHIBIT G-3
COMPANY-OWNED OUTLETS

California

~~445 Marine View Avenue, Suite 300
Del Mar, California 92014
(858) 598-2770~~

~~111 North Market Street,
San Jose, CA 95113~~

Nevada

~~851 South Rampart Blvd, Suite 200,
Las Vegas, NV 89145
(702)368-2500~~

~~1 E Liberty Street Suite 600
Reno, NV 89501
(702)321-4280~~

<u>Location</u>	<u>First Name</u>	<u>Last Name</u>	<u>Cell</u>
<u>126Coral Springs, FL</u>	<u>Ken</u>	<u>Vichinsky</u>	<u>954-892-2007</u>
<u>141 - Salt Lake City, UT</u>	<u>Jill Craig</u>	<u>Smith</u>	<u>801-427-0785</u>
<u>225 – Lansing, MI</u>	<u>Susan Carl</u>	<u>Howard</u>	<u>517-202-4047</u>
<u>145- Houston, TX</u>	<u>Lenwood Katie</u>	<u>Mills</u>	<u>910-622-2181</u>
<u>250 - Thousand Oaks CA</u>	<u>Ken</u>	<u>Mauch</u>	<u>925-918-0451</u>

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- G. Change Order
- H. Sold Business Details
- I. Listing Changes Checklist
- J. Sold Listings Checklist

**Manual 5.0 Operating Procedures
(40 Pages)**

- 1.0 Listing Acceptance Procedure
- 2.0 Incomplete Listing Procedure
- 3.0 Listing Input Procedure
- 4.0 Web Site Entry Procedure
- 5.0 Listing Changes Procedure
- 6.0 Pending Listing Procedure
- 7.0 Sold Listings Procedure
- 8.0 Expired Listings Procedure
- 9.0 General Business List Log and Blind Log
- 10. Miscellaneous Listing Updates

Appendices:

- A. Broker Listing Checklist
- B. Sample Email to Agent for Incomplete Listing Packet
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- E. Approved Listing Categories
- F. Quarter Sheet for Distribution
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- J. Red and Blue File Stacking Order

EXHIBIT I

AREA REPRESENTATIVE DISCLOSURES

Our current area representatives, and their respective territories, are listed below. ~~We~~FCBB also list their additional disclosures for Items 2, 3, and 4 of the Franchise Disclosure Document.

Barry Maring: Area Representative for Arizona and North Dakota

ITEM 2. BUSINESS EXPERIENCE

Barry Maring is the President and Chief Financial Officer for Sonmar Management in Fargo, North Dakota, a position he has had since January 2008.

ITEM 3. LITIGATION

No litigation is required to be disclosed in this item.

ITEM 4. BANKRUPTCY

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

Melissa Salyer: Area Representative for Georgia

ITEM 2. BUSINESS EXPERIENCE

~~Melissa~~Melisa Salyer has ~~served~~been serving as our Executive Vice President of Franchise Development ~~in Las Vegas, Nevada~~ since December 2021. ~~Between December 2019 and December 2021, Ms. Salyer was~~In this role, she oversees strategic growth and franchisee recruitment, driving the organization's expansion efforts. Prior to joining us, she held the position of Executive Vice President of Franchise Development for at Loyalty, LLC in Virginia Beach, Virginia. from AugustDecember 2019 to ~~the present, Ms~~November 2021. Salyer has Melissa also ~~served as~~has been the Owner of FranDiscovery, a franchise consulting firm based in Virginia Beach, ~~Virginia. From July 2015 to September 2019, Ms. Salyer served as Executive Vice President of Franchise Opportunities for Happy Tax Franchising, LLC in Virginia Beach,~~since August 2019. At FranDiscovery, she assists prospective franchisees in identifying and securing the right business Virginia.

ITEM 3. LITIGATION

No litigation is required to be disclosed in this item.

ITEM 4. BANKRUPTCY

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

Scott Curtis: Area Representative for Charlotte, North Carolina

ITEM 2. BUSINESS EXPERIENCE

Scott Curtis is the Vice President for Charlotte Business Sales, Inc. in Midland, North Carolina since September 2018. Mr. Curtis is also President of LTS Carolina Inc., and has been since September 2005.

ITEM 3. LITIGATION

No litigation is required to be disclosed in this item.

ITEM 4. BANKRUPTCY

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

Frank Nunziata: Area Representative for Cleveland, Dayton, and Columbus, Ohio

ITEM 2. BUSINESS EXPERIENCE

Frank Nunziata is the Managing Member for Nunziata Franchise Consulting, LLC in Lewis Center, Ohio since March 2022. Mr. Nunziata is also Managing Member for Nunziata Business Brokerage, LLC in Lewis Center, Ohio since March 2022. From September 1997 to the present, Mr. Nunziata is and has been Managing Member of F.A. Nunziata and Sons, LLC in Lewis Center, Ohio.

ITEM 3. LITIGATION

No litigation is required to be disclosed in this item.

ITEM 4. BANKRUPTCY

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

William Griswold: Area Representative for Virginia (except Hampton-RoadsRhodes area)

ITEM 2. BUSINESS EXPERIENCE

William Griswold is a unit-level franchisee of ours in Richmond, Virginia through his company Golden Dunes Business Brokers, a role he has had since June 25, 2018. Between September 2014 and January 2020, Mr. Griswold was President of Golden Dunes Insurance in Colonial Heights, Virginia.

ITEM 3. LITIGATION

No litigation is required to be disclosed in this item.

ITEM 4. BANKRUPTCY

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

EXHIBIT J

STATE EFFECTIVE DATES

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

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

State	Effective Date
California	June 21, 2024 Pending
Hawaii	May 23, 2024 Pending
Illinois	April 5, 2024 Pending
Indiana	July 18, 2024 Pending
Maryland	June 10, 2024 Pending
Michigan	April 23, 2024 Pending
Minnesota	August 20, 2024 Pending
New York	June 25, 2024 Pending
North Dakota	May 7, 2024 Pending
South Dakota	April 5, 2024 Pending
Rhode Island	March 27, 2024 Pending
Virginia	June 21, 2024 Pending
Washington	July 19, 2024 Pending
Wisconsin	April 5, 2024 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.

EXHIBIT K

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 First Choice Business Brokers, Inc. 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.

Iowa requires that ~~w~~[efranchisor](#) give you this Disclosure Document at the earlier of the first personal meeting or 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.

Michigan requires that ~~w~~[efranchisor](#) give you this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

New York requires that ~~w~~[efranchisor](#) give you this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If First Choice Business Brokers, Inc. 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, DC 20580 and the state agency listed on Exhibit C.

The franchisor is First Choice Business Brokers, Inc., located at 851 South Rampart Blvd., Ste. 200, Las Vegas, NV 89145. Its telephone number is (702) 368-2500.

Issuance Date: March ~~27~~[28](#), ~~2024~~[2025](#)

The Franchise Seller for this offering is:

Jeffrey D. Nyman, 851 South Rampart Blvd., Ste. 200, Las Vegas, NV 89145; (702) 368-2500

Melissa Salyer, 851 South Rampart Blvd., Suite 200 Las Vegas, NV 89145 (702) 368-2500

We authorize the respective state agencies identified on Exhibit C to receive service of process for ~~w~~[efranchisor](#) in the particular state.

I have received a disclosure document dated March ~~27~~[28](#), ~~2024~~[2025](#), that included the following Exhibits:

Exhibit A. Franchise Agreement

Schedule 1 – ~~Area of Operations~~[Designated Territory](#) and Approved Location

Schedule 2 – Guaranty, Indemnification, and Acknowledgement

Schedule 3 – Computer System User License Agreement

Schedule 4 – Assignment of Telephone Numbers, Internet Addresses, and Social Media Identities

Schedule 5 – Confidentiality and Non-Competition Agreement

Schedule 6 – Statement of Ownership

Schedule 7 - ACH Authorization

Schedule 8 - Franchisee Compliance Certification

Schedule 9 - State Addenda to the Franchise Agreement

Exhibit B. Non-Disclosure Agreement

Exhibit C. State Administrators/Agents for Service of Process

Exhibit D. General Release

Exhibit E. Financial Statements

Exhibit F. State Addenda to The Disclosure Document

Exhibit G-1. List of Current Franchisees

Exhibit G-2. Former Franchisees

Exhibit H. Tables of Contents of Manuals

Exhibit I. Area Representative Disclosures

Exhibit J. State Effective Dates

Exhibit K. Receipts

_____	_____	_____
Date	Signature	Printed Name
_____	_____	_____
<u>Date</u>	<u>Signature</u>	<u>Printed Name</u>

Please sign, date, and retain 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 First Choice Business Brokers, Inc. 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.

Iowa requires that [wefranchisor](#) give you this Disclosure Document at the earlier of the first personal meeting or 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.

Michigan requires that [wefranchisor](#) give you this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

New York requires that [wefranchisor](#) give you this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If First Choice Business Brokers, Inc. 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, DC 20580 and the state agency listed on Exhibit C.

The franchisor is First Choice Business Brokers, Inc., located at 851 South Rampart Blvd., Ste. 200, Las Vegas, NV 89145. Its telephone number is (702) 368-2500.

Issuance Date: March ~~27~~28, ~~2024~~2025

The Franchise Seller for this offering is:

Jeffrey D. Nyman, 851 South Rampart Blvd., Ste. 200, Las Vegas, NV 89145; (702) 368-2500

Melissa Salyer, 851 South Rampart Blvd., Suite 200 Las Vegas, NV 89145 (702) 368-2500

We authorize the respective state agencies identified on Exhibit C to receive service of process for [wefranchisor](#) in the particular state.

I have received a disclosure document dated March ~~27~~28, ~~2024~~2025, that included the following Exhibits:

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Exhibit G-2. Former Franchisees

Exhibit H. Tables of Contents of Manuals

Exhibit I. Area Representative Disclosures

Exhibit J. State Effective Dates

Exhibit K. Receipts

Date Signature Printed Name

Date Signature Printed Name

Please sign, date, and return this copy to First Choice Business Brokers, Inc., 851 South Rampart Blvd., Ste. 200, Las Vegas, NV 89145.