

FRANCHISE DISCLOSURE DOCUMENT



Marsh and Munar Team, LLC
A Pennsylvania Limited Liability Company
8795 Peach Street
Erie, PA 16509
814-315-2822
Megan@CoLABLending.com
<https://www.CoLABLending.com/>

As a Co/LAB franchisee, you will operate a business structured as an independent Mortgage Brokerage. Franchisees will operate the franchised business under the brand “Co/LAB”.

The total investment necessary to begin operation of a Co/LAB franchise is ~~\$5429,750~~ to \$114,100. This includes ~~\$5,000 to~~ \$30,000 that must be paid to the franchisor or affiliate depending on how you choose to pay the Franchise Fee.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar-days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no 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, please contact Megan Marsh and Andres Munar at 8795 Peach Street, Erie, PA 16509 and 814-315-2822.

The terms of your contract will govern your franchise relationship. Don’t rely on the disclosure document alone to understand your contract. Read all of your contract carefully. Show your contract and this disclosure document to an advisor, like a lawyer or 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 also be laws on franchising in your state. Ask your state agencies about them.

Issuance date: March 11th, 2024

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Exhibits

- A. State Administrators and Agents for Service of Process
 - B. Franchise Agreement (with Guaranty and Non-Compete Agreement)
 - C. Branch Office Agreement
 - D. ~~Master Franchise Agreement~~ Intentionally Omitted
 - E. Form of General Release
 - F. Financial Statements
 - G. Brand Standards Manual Table of Contents
 - H. Current and Former Franchisees
 - I. State Addenda to Disclosure Document
 - J. State Addenda to Agreements
- State Effective Dates
 Receipt (2 copies)

Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Pennsylvania. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Pennsylvania than in your own state.
2. **Financial Condition.** The Franchisor's financial condition as reflected in its financial statements (see Item 21) calls into question the Franchisor's financial ability to provide services and support to you.

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

Item 1

THE FRANCHISOR AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

In this disclosure document, “we”, “us,” or “our” refers to Marsh and Munar Team, LLC. “You” means the person to whom we grant a franchise. If you are a corporation, limited liability company, or other entity, each owner of the franchise entity must sign our Guaranty and Non-Compete Agreement, which means that all of the franchise agreement’s provisions also will apply to your owners.

Us, Any Parents, and Certain Affiliates

Our name is Marsh and Munar Team, LLC. Our principal business address is 8795 Peach Street, Erie, PA 16509. We do not have any parent entities. We do not have any affiliates that offer franchises in any line of business. We do have an affiliate that is an optional supplier ~~provides products~~ to our franchisees.

Our Predecessors

We do not have any predecessors.

Our Business Name

We use the names “Marsh and Munar Team, LLC” and “Co/LAB”. We do not intend to use any other names to conduct business.

Agent for Service of Process

Our agent for service of process in Pennsylvania is Megan Marsh, and the agent’s principal business address is 8795 Peach Street, Erie, PA 16509. Our agents for service of process in other states are disclosed in Exhibit A.

Business Organization

We are a Pennsylvania Limited Liability Company. We were formed on 9/16/2019.

Information About Our Business and the Franchises Offered

We do not operate businesses of the type being franchised, but our Affiliate does.

We do not have any other business activities. We have not offered franchises in other lines of business.

If you sign a franchise agreement with us, you will develop and operate a business structured as an independent Mortgage Brokerage, under the trade name Co/LAB. The Co/LAB Lending Franchise provides Mortgage consulting and brokering services to homebuyers looking to obtain a mortgage for a new home or refinance their existing home. In some cases, Co/LAB may grant you the right to establish one or more additional office locations known as a “Branch Office” that are for a shorter term and have other special provisions (see Item 12 below for a

discussion of Branch Offices). Co/LAB Offices offer high quality mortgage brokerage services (collectively, the “Services”), including the processing, originating and solicitation of mortgage loan applications for purchasing a residence or other property or refinancing an existing mortgage. As of the date this disclosure document was issued, Co/LAB Offices are offered primarily to owners who operate an existing real estate brokerage business.

~~If you sign a Master Franchise Agreement (Included in Exhibit B), you will be investing in the right to resell, train and support new franchisees of the Co/LAB franchise model.~~

We operate in the Mortgage Brokerage market that is well developed. Our products and services are offered year-round. You will compete for customers with independent owners, national chains, regional chains, and franchised businesses, offering Mortgage consulting and brokering services to homebuyers looking to obtain a mortgage for a new home or refinance their existing home.

Each Co/LAB franchisee must be authorized, under the law of the state(s) in which the franchisee will do business, to provide mortgage brokerage services, and must provide its services through licensed loan originators. Franchisees will serve the general public, competing with other businesses offering mortgage brokerage services. As a mortgage broker you will execute mortgage brokerage agreements with wholesale lenders that underwrite and fund mortgages. These agreements allow your Co/LAB Office to originate loans made by the lenders, who will, unless you are compensated directly by the consumer, compensate you for your services typically at a predetermined percentage of the loan amount, with the total amount of compensation for many loans subject to regulation. See Item 8. You will, in turn, recruit and compensate the licensed individuals who work with potential borrowers to help them find the right loan (“Loan Originators”). Loan Originator compensation may include salary, other benefits and, most typically, a commission calculated as a percentage of the loan amount. You will set the pricing for loans your Office originates depending on your pricing strategy which will take into account the compensation levels set with lenders as well as the interest rates and loan products then available to you as well as your analysis of what is competitive in your market.

Each Co/LAB Office is an independently owned, operated and licensed business and is solely responsible for its day-to-day conduct and activities. Accordingly, no Co/LAB Office is an agent (actual, implied or ostensible) of Marsh and Munar Team, LLC.

Branch Offices

After you have opened your first Co/LAB Office you may request the right to establish a Branch Office (or “Branch Office”). Among other differences, a Branch Office will have a shorter term than an Office that is a full franchise (a “full franchise” is a franchised Office that is not a branch, satellite office, kiosk, or other extension of the Office). Marsh and Munar Team, LLC reserves the unfettered right to grant permission to establish a Branch Office. If you qualify to purchase a Branch Office you must execute the Branch Office Amendment attached as Exhibit C. To qualify for a Branch Office you must not only be in good standing, but we will also consider a number of factors including market saturation, the financial condition of your Office, the extent to which you have adopted Co/LAB best practices, whether and how you have used

refer business to it, the reasonable value of services rendered or facilities provided, such as office space. These payments must be for the market value of the services or facilities and may not be based upon the number of transaction or the value of business referred by the recipient to the mortgage brokerage business.

The consumer Financial Protection Bureau is the federal regulator responsible for RESPA. With regard to AFBA's, the CFPB will expect that the franchisee be properly capitalized and staffed. The AFBA should be a viable entity performing meaning full services and not a shell or sham entity. The appropriate amount of capital shall vary depending on a number of factors depending on your market and size of your business. Some states will also require that the person who oversees the operation should have some experience in the mortgage industry and background in the field. Many states and the CFPB require that mortgage brokers must have compliance systems in place as well. Commercial mortgage origination is also subject to federal and state laws.

~~If you purchase a Master Franchise model, you will be reselling the franchise model to third party franchise owners which will require you to be compliant with franchise laws and regulations which vary depending on your state and market. The Federal Franchise Laws are governed by the Federal Trade Commission and will require that you present the franchise with a Franchise Disclosure Document. At the state level there are specific states which require approval or registration of the franchise before you are permitted to sell in that market.~~

You alone are responsible for investigating and complying with all applicable laws and regulations, despite any information that we may give you. You should consult with a legal advisor about legal requirements that may apply to your business.

Prior Business Experience

We have offered franchises since February 2024. None of our affiliates have offered franchises in other lines of business. One of our affiliates is an optional supplier ~~provides products~~ to our franchisees.

Our affiliates, Munar Mortgage, LLC DBA Keystone Alliance Mortgage, and DBA Co/LAB Lending LLC, have operated Co/LAB in Erie, Pennsylvania since June 2014. This affiliate has the same business address as us.

Item 2 BUSINESS EXPERIENCE

Megan Marsh - CEO. Megan Marsh has been our CEO in Erie, Pennsylvania, since 9/2019.

1. Erie Home Solutions LLC, Managing Member, 1/07/2013 - Present
2. Marsh Brothers LLC, Managing Member, 8/22/2014 - Present
- ~~3. 5140 Buffalo Road LLC, Managing Member~~
4. Munar Mortgage LLC- DBA Co/LAB Lending, 5/12/2014 – 11/2022
5. Tmmt LLC, Managing Member, 12/16/2016 - Present

Item 22
CONTRACTS

Copies of all proposed agreements regarding this franchise offering are attached as the following Exhibits:

- B. Franchise Agreement (with Guaranty and Non-Compete Agreement)
- C. Branch Office Amendment to Franchise Agreement
- ~~D. Master Franchise Agreement~~
- E. Form of General Release
- J. State Addenda to Agreements

Item 23
RECEIPTS

Detachable documents acknowledging your receipt of this disclosure document are attached as the last two pages of this disclosure document.

REMAINDER OF THIS PAGE LEFT BLANK INTENTIONALLY.

Item 12 TERRITORY

~~You may operate the Office only from the Premises and may not relocate the Office without our approval. You have no options, rights of first refusal, or similar rights to acquire additional franchises, branch offices or extensions of the Office.~~

Your Location

We anticipate that you will manage from a small office setting. Your primary office must be located in your territory.

Grant of Territory

Your franchise agreement will specify a territory, which will have a population of approximately 100,000 to 200,000 people. The boundaries of your territory will be specified by zip codes, county or city lines, or some other limit.

Relocation; Establishment of Additional Outlets

You may relocate your business headquarters anywhere in your territory.

You do not have the right to establish additional franchised outlets or expand into additional territory. If you desire to do so, you must (1) meet our then-current criteria for new franchisees, (2) be in compliance with your franchise agreement at all times since opening your business, (3) have demonstrated your capability to operate a multi-territory franchise successfully, and (4) obtain our agreement.

Options to Acquire Additional Franchises

You do not receive any options, rights of first refusal, or similar rights to acquire additional franchises.

Exclusivity

We do not grant you an exclusive territory. In your territory, we will not establish either a company-owned or franchised outlet, but all franchisees may sell in any market, regardless of who owns a Territory. You will compete with other franchisees selling the same or similar goods or services under the same or similar trademarks. Continuation of your territorial exclusivity does not depend on any contingency. There are no circumstances that permit us to modify your territorial rights.

Restrictions on Us from Soliciting or Accepting Orders in Your Territory

We may serve customers in your territory and authorize other parties to serve customers in your territory, under our brand. We 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 territory (i) using our principal trademarks, but only for sales of products or services different from

the ones you will offer, and (ii) using trademarks different from the ones you will use. In the circumstances where the franchise agreement does not prohibit us from soliciting or accepting orders from inside your territory, we do not pay any compensation to you.

Soliciting by You Outside Your Territory

You are permitted to sell to potential customers outside of your territory, but we do restrict your advertising and marketing to within your Territory. Solicitations or marketing are permitted which are primarily targeted inside the territory and which incidentally reach potential customers outside of the territory. You can serve customers outside of your territory without our prior written permission.

Competition by Us Under Different Trademarks

Neither we nor any of our affiliates operates, franchises, or has plans to operate or franchise a business under a different trademark selling goods or services similar to those you will offer. However, the franchise agreement does not prohibit us from doing so.

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. As of the date of this disclosure document, we have no plans to operate a Co/LAB Office or own a mortgage brokerage business that offers services to the public. However, we may establish other franchised outlets that may compete with your location. ~~We retain all rights to develop, locate and operate, and to grant others the right to develop, locate and operate, mortgage brokerage offices under another trademark or service mark or any other business under the Marks or under any other trademark or service mark or to engage in any other business activity anywhere. We and our affiliates retain all rights with respect to Co/LAB Offices, the Marks, the sale of similar or dissimilar products and services, and any other activities we deem appropriate whenever and wherever we desire, including:~~

- ~~(1) the right to establish and operate, and to grant to others the right to establish and operate, businesses offering similar or dissimilar products and services under the Marks and on any terms and conditions we deem appropriate;~~
- ~~(2) the right to operate, and to grant others the right to operate, Co/LAB Offices located anywhere under any terms and conditions we deem appropriate and regardless of proximity to the Office;~~
- ~~(3) the right to acquire the assets or ownership interests of one or more businesses providing products and services similar to those provided by Co/LAB Offices, and franchising, licensing or creating similar arrangements with respect to these businesses once acquired, wherever these businesses (or the franchisees or licensees of these businesses) are located or operating; and~~

~~(4) the right to be acquired (whether through acquisition of assets, ownership interests or otherwise, regardless of the form of transaction), by a business providing products and services similar to those provided by Co/LAB Offices, or by another business, even if such business operates franchises and/or licenses competitive businesses.~~

~~We also reserve the right to use alternative channels of distribution, including the Internet, telemarketing, and other direct marketing in any area or location, and you do not have the right to do so except as approved by us. We do not have to pay you any compensation for doing so or for exercising any of our retained rights. Provided you obtain our consent to expand and each applicable state law permits operation as a virtual (no physical presence) office you may do business virtually in 2 states under each Co/LAB franchise agreement in addition to the state in which you first operate your Co/LAB Mortgage business.~~

~~We understand that currently Arizona, Hawaii, Missouri Nevada, and Texas may not allow a virtual (no physical presence) office. You must contact your legal advisors to determine in which states a virtual office is allowed. You should be aware that state licensing requirements are subject to change at any time. For each additional state in which you plan to expand you must first obtain our written consent to expansion and the proper license in the specific location or state requested. We grant our consent to expand in our sole discretion and may consider factors such as whether you are in good standing and whether all your office equipment and software is up to date. There are no restrictions on your right to solicit or accept loan applications from consumers in the states in which you operate. You will be expected to meet high standards of service and professionalism reflective of the goodwill and respect enjoyed by the Co/LAB name and organization. These expectations can be met by limiting your mortgage broker services to market areas where you can serve customers and clients directly and personally and where you have the greatest knowledge of local conditions, infrastructures, community history and the housing/mortgage market.~~

Branch Offices

~~We grant you the right to establish one or more Branch office locations (“Branch Offices”) to accommodate your expansion to additional physical office(s) or to add a virtual office in a state beyond the 2 additional states allowed in your franchise agreement, provided that you shall not then, or at any time thereafter prior to the opening of such Branch Office, be in default of any of your obligations arising under the Franchise Agreement and upon the additional conditions set forth below. You will be required to sign the Branch Office Amendment (attached as Exhibit A-10 for each Branch Office you establish).~~

~~Permission to establish a Branch Office shall be within our sole and absolute discretion. Factors we will consider in determining whether to grant you the right to establish a Branch Office include, without limitation, the location of the proposed Branch Office, population growth and the overall market share enjoyed by the Co/LAB Network in the area of the proposed Branch Office and other market conditions that may affect the desirability of establishing a Branch Office. You will be required to pay a Branch Office Initial Fee of \$5,000 (see Item 5), plus a monthly ongoing Royalty Fee of 6% of Gross Sales and Marketing Fund fee of 1% of Gross~~

~~Sales. If you are renewing an existing Branch Office (also known as a Branch Office), you will be required to sign the Branch Office Amendment (attached as Exhibit C) plus all ongoing Branch Office fees for each Branch Office that you renew (see Item 6). Each Branch Office must be located at a site approved by Marsh and Munar Team, LLC. Each Branch Office shall operate as a part of the Office (i.e., as a branch of the Office operating under and as a part of the same ownership as the Office), shall operate under the same name as the Office, and, except as otherwise provided in the Franchise Agreement, shall comply with and be subject in every respect to all of the terms, conditions, provisions and restrictions of the Franchise Agreement as are applicable to the Office. Marsh and Munar Team, LLC is not under any obligation to provide Branch Offices any of the services and benefits made available to the Office although Marsh and Munar Team, LLC may, in its sole and absolute discretion, provide some services and benefits to Branch Offices.~~

~~Branch Offices shall be “address only” locations and therefore shall have no protected area or territorial exclusivity whatsoever. If you are operating a Branch Office and wish to continue operating it upon renewal of your franchise relationship, you will also be required to sign the Branch Office Amendment (attached as Exhibit A-10). Although we have the right to do so (as described above), neither we nor our affiliate operates, franchises, or has present plans to operate or franchise a business under a different trademark that offers or will offer goods or services similar to those you will offer in your Office as of the date this disclosure document was issued.~~

Item 13 TRADEMARKS

Principal Trademark

The following is the principal trademark that we license to you. This trademark is owned by our Affiliate, Marsh and Munar Team, LLC. We do have a federal registration on the principal register for our principal trademark.

Trademark	Registration Date	Registration Number
Co/Lab Lending	2/14/2023	6979059

Due to the fact that none of our registrations are more than six years old, there have not been any renewals or affidavits filed, but we intend to do so when legally required.

Item 15
OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE
FRANCHISE BUSINESS

Your Participation

You are not required to participate personally in the direct operation of your business. However, we recommend that you participate.

You must designate one person as your “Principal Executive”. The Principal Executive is the executive primarily responsible for your business and has decision-making authority on behalf of the business. The Principal Executive must complete our initial training program. The Principal Executive must complete any post-opening training programs that we develop in the future. The Principal Executive must make ~~reasonable~~ efforts to attend all in-person meetings and remote meetings (such as telephone conference calls), including regional or national brand conferences, that we require. The Principal Executive cannot fail to attend more than three consecutive required meetings.

If your business is owned by an entity, all owners of the business must sign our Guaranty and Non-Compete Agreement (see Attachment 3 to Exhibit B).

“On-Premises” Supervision

You are not required to personally conduct “on-premises” supervision (that is, act as general manager) of your business. However, we recommend on-premises supervision by you.

There is no limit on who you can hire as an on-premises supervisor. The general manager of your business (whether that is you or a hired person) must successfully complete our training program.

If the franchise business is owned by an entity, we do not require that the general manager own any equity in the entity.

Restrictions on Your Manager

If we request, you must have your general manager sign a confidentiality and non-compete agreement. We do not require you to place any other restrictions on your manager.

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 Marsh and Munar Team, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York requires that you be given this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of any franchise or other agreement, or payment of any consideration that relates to the franchise relationship.

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

The name, principal business address, and telephone number of each franchise seller offering the franchise is:

Name	Principal Business Address	Telephone Number
Megan Marsh Andres Munar	8795 Peach Street, Erie, PA 16509	814-315-2822

Issuance Date: March 11th, 2024

I received a disclosure document dated March 11th, 2024, that included the following Exhibits:

- A. State Administrators and Agents for Service of Process
- B. Franchise Agreement (with Guaranty and Non-Compete Agreement)
- C. Branch Office Amendment to Franchise Agreement
- D. Rider to Lease Agreement
- E. Form of General Release
- F. Financial Statements
- G. Brand Standards Manual Table of Contents
- H. Current and Former Franchisees
- I. State Addenda to Disclosure Document
- J. State Addenda to Agreements

Signature: _____

Print Name: _____

Date Received: _____

Keep This Copy For Your Records

Exhibit D
INTENTIONALLY OMITTED
MASTER FRANCHISE AGREEMENT

PARTIES:

____ Marsh and Munar Team, LLC
____ 8795 Peach Street
____ Erie, PA 16509

Master Franchisee

RECITALS:

A. ____ Franchisor is engaged in the business of franchising Co/LAB businesses. ("Franchised Business")

B. ____ Franchisor and its Affiliates have expended significant time, skill, effort and money to develop certain skills, concepts, business techniques, marketing systems, and a specialized method and process with uniform standards, specifications, methods, policies, procedures, systems, and information, all of which may be enhanced, improved and further developed by us periodically, for operating the Franchised Business. ("Franchise System")

C. ____ We offer franchisees the right to own a Co/LAB unit ("Unit(s)") offering products and services we authorize and using our Franchise System.

D. ____ We operate under the mark CO/LAB and may develop other trademarks and service marks for use in the Franchise System (the "Marks").

E. ____ The distinguishing characteristics of our Franchise System includes, but is not limited to, the interior layout and design, color scheme, signage and equipment, the name and mark CO/LAB, together with other trade names, service marks, trademarks, copyrights, titles, symbols, emblems, slogans, insignia, designs, diagrams, artworks, worksheets, originals, manuals, techniques, rules, ideas, philosophies, illustrations, course materials, the confidential Operations Manual and any other manuals or materials loaned to you; standards, specifications, methods, techniques, and operating procedures, advertising and promotional materials, and other audio, video, and written materials, and other elements of our Franchise System we have developed improved and further developed ("Proprietary Assets").

F. ____ Master Franchisee desires to exclusively solicit, qualify, train and assist franchisees within the Area ("Unit Franchisees") to build and operate Co/LAB Units. You have submitted an application and other pertinent information including financial statements to us that fully and truthfully sets forth the information therein and has further advised us of all persons who will hold an interest in the franchise. We have relied on all of your representations, warranties, and acknowledgements contained in your application.

G. ____ You have been informed and hereby acknowledge your understanding of the fact that

~~the successful operation of your Franchised Business will depend primarily upon your efforts, capabilities and management skills, as well as your efficient operation of the Franchised business, the general economic trends and local marketing conditions. We make no claims or representations whatsoever regarding potential sales, profits or earnings achievements.~~

~~— The Parties intend to be legally bound, for and in consideration of the mutual covenants hereinafter following, do mutually covenant and agree:~~

1. GRANT OF MASTER FRANCHISE

~~**1.1 Grant. Subject to the provisions of this Agreement, the Franchisor hereby grants to the Master Franchisee the exclusive right to solicit, screen, and qualify for final approval by us, Unit Franchisees within the Area.**~~

~~**1.2 Master Franchisee will have the ability to do business anywhere and in any market. There is no exclusivity to the Master Franchise Agreement or Protected Area.**~~

~~**1.3 Term.** The term of this Agreement (the "Term") shall commence on the date of this Agreement and shall expire ten (10) years from the date of this Agreement.~~

~~**1.4 Renewal.** The Master Franchisee may at its option renew the Master Franchise for an unlimited number of ten year (10) terms by serving written notice of its desire to renew the Master Franchise on the Franchisor not less than six (6) months nor more than twelve (12) months prior to the expiration of the initial term provided that:~~

~~1.4.1 — The Master Franchisee is not in default of this Agreement or any other agreement between it and the Franchisor or its related corporations and has substantially complied with the provisions of these agreements during the terms thereof;~~

~~1.4.2 — The Master Franchisee has satisfied all monetary obligations owed by the Master Franchisee to the Franchisor and its related corporations as at the date of exercise of the option and that the Master Franchisee has not, in the sole discretion of the Franchisor, repeatedly failed to meet such obligations throughout the term of this Agreement;~~

~~1.4.3 — The Master Franchisee signs a general release, in a form prescribed by us, of any and all claims against us and our subsidiaries and affiliates, and their respective officers, directors, agents and employees; and~~

~~1.4.4 — The Master Franchisee execute the Franchisor's then current standard form of master franchise agreement. It is understood that the current standard form of the master franchise agreement may provide for higher fees and greater expenditures and may contain terms materially different from this Agreement. Failure or refusal by the Master Franchisee to execute such agreement within sixty (60) days after delivery thereof to the Master Franchisee shall be deemed an election by the Master Franchisee not to renew the Master Franchise.~~

2. DEVELOPMENT RIGHTS AND OBLIGATIONS

~~2.1 Exclusivity. Subject to Clause 3, if the Master Franchisee is not in default of any provision of this Agreement, the Franchisor shall not during the Term operate nor grant any person any right relating to the operation of a Co/LAB Unit or the use of the Marks within the Area otherwise than to the Master Franchisee and in accordance with this Agreement.~~

~~2.2 Development. The Master Franchisee shall at all time during the Term use its best endeavors to develop and promote the Co/LAB System and Marks within the Area. The Master Franchisee shall open and maintain in operation in the Area (whether itself or through franchisees) at least the number of Units referred to in Schedule One, referred to herein as the “development schedule”, with respect to which time shall be of the essence. The Master Franchisee understands and agrees that in addition to any other right it may have the Franchisor may terminate this Agreement or the development rights if the Master Franchisee fails to meet the obligations under the development schedule in a timely manner, and the Franchisor shall have the right to undertake such development itself or through another party. The Master Franchisee shall follow all guidelines provided by Franchisor for the development of the Area including but not limited to:~~

~~2.2.1 — Each Co/LAB Unit shall be granted pursuant to a separate franchise agreement. Each Unit Franchisee (and Master Franchisee) shall enter into our then current form of franchise agreement (the “Franchise Agreement”) for each Unit. Each Unit will be counted towards the Master Franchisee’s “development schedule” when the Unit has:~~

- ~~a) — Signed the franchise agreement;~~
- ~~b) — Paid all fees owing for the franchise;~~
- ~~c) — Unit Franchise Business Is open and operating.~~

~~2.2.2 — The Master Franchisee shall review all information pertaining to the requirements for selling franchises in the Area. The Master Franchisee is solely responsible for compliance with all applicable laws within the Area including but not limited to the delivery of disclosure documents.~~

~~2.2.3 — The Master Franchisee agrees not to solicit franchisees outside the Area. Master Franchisee shall provided Franchisor with notice of any potential franchisee leads from outside the Area.~~

~~2.2.4 — The Master Franchisee shall follow Franchisor’s then applicable franchisee selection criteria, which may be revised from time to time. The Master Franchisee acknowledges that the Master Franchisee has no authority to execute any Franchise Agreement. The Master Franchisee shall arrange for each Franchise Agreement to be signed by Franchisor. Master Franchisee acknowledges and agrees that Franchisor retains the sole and final determination as to whether or not to enter into a Franchise Agreement with any particular prospective Unit Franchisee. Nothing in this Agreement or any other agreement obligates Franchisor to enter into an agreement with any particular Unit Franchisee. Franchisor may act in its own self interest in~~

~~3.1.1 — selling and providing directly or providing such right to other persons to sell and provide, goods, products, supplies, or materials to the Units in the Area;~~

~~3.1.2 — establishing and operating Co/LAB Units, and granting rights to other persons to establish and operate Co/LAB Units, including the right to a master franchisee, on any terms and conditions we deem appropriate and at any locations we deem appropriate outside of the Area;~~

~~3.1.3 — providing and granting rights to other persons to provide, goods similar to those provided at Co/LAB Units to customers located within the Area, even if such goods are deemed to be competitive with those of the Master Franchisee, whether identified by the Marks, through any distribution channel other than a Co/LAB Unit located within your Area (e.g. internet sales, catalog sales, etc.);~~

~~3.1.4 — acquiring assets or ownership interests of one or more businesses providing products and services similar to those provided at a Co/LAB Unit, and franchising, licensing or creating similar arrangements with respect to these businesses once acquired, wherever these businesses are located or operating (including the location of such franchisees, licensees); and~~

~~3.1.5 — Act as a broker for Co/LAB Units in the Area.~~

~~4. PAYMENTS FROM MASTER FRANCHISEE~~

~~4.1 — Development Fee. The Master Franchisee shall pay to the Franchisor the sum of _____, at the time of signing this agreement.~~

~~All Initial Fees are deferred until Franchisor has satisfied its pre-opening obligations to Franchisee and Franchisee has commenced business operations. The Illinois Attorney General's Office imposed this deferral requirement due to the Franchisor's financial condition.~~

~~5. PAYMENTS FROM UNIT FRANCHISEE~~

~~5.1 — Initial Franchise Fee Commission. During the term of this Agreement, Master Franchisee shall be paid a commission, in an amount equal to 20 — 50% of the initial franchise fee paid to us for all Co/LAB Units opened in the Area (“Initial Franchise Fee Commission”) subject to any refunds for failure to open or operate offered in the applicable franchise agreement. Commission rates will depend on where the lead was sourced and the nature of the Unit Franchise sold.~~

~~The Initial Franchise Fee Commission will be paid to Master Franchisee by Franchisor within 14 days of receipt of the initial franchise fee by Franchisor. Payment of the fee is subject to the fulfillment of the following conditions:~~

~~5.1.1 — Unit Franchisee (or Master Franchisee) executes a Franchise Agreement with Franchisor and the initial franchise fee has been paid to and actually received by Franchisor;~~

~~5.1.2 — Master Franchisee has complied with all provisions of this Agreement;~~

~~5.1.3 — Master Franchisee has completed all of the forms required and other requirements set forth by Franchisor for the opening of a Co/LAB Unit by a Unit Franchisee; and~~

~~5.1.4 — All fees are deemed received by Franchisor when the fees have actually been remitted and the funds have been cleared, fees held in escrow are not deemed received until the funds are released to and received by Franchisor;~~

~~5.1.5 — All refunds owed to franchisee shall be paid initially by the Master Franchisee up to the total Initial Franchise Fee Commission paid.~~

~~5.2 — Royalty Fee. Franchisor shall pay to Master Franchisee, within thirty (30) or thirty one (31) days (depending on the month) after the end of each calendar month, 2.5 to 11% of the royalty fees actually received by Franchisor from each Unit Franchisee during the previous month. The range of Royalty Fee split will depend on the nature of the Unit Franchise Sale.~~

~~5.3 — Payment of the Royalty Fee is subject to the fulfillment of the following conditions:~~

~~5.3.1 — Master Franchisee has complied with all provisions of this Agreement;~~

~~5.3.2 — Master Franchisee has fulfilled all of its support obligations to the Unit Franchisees as set forth in this Agreement; and~~

~~5.3.3 — All fees are deemed received by Franchisor when the fees have actually been remitted and the funds have been cleared, fees held in escrow are not deemed received until the funds are released to and received by Franchisor;~~

~~5.3 — Fees after Termination. Master Franchisee will be allowed to continue to receive the percentage Royalty Fee as described in Section 5.2 for all of the Units open and operating prior to the termination of this Agreement, subject to section 5.4 of this Agreement.~~

~~5.4 — Set Off. The Franchisor shall have the right in its sole discretion to apply and deduct as it sees fit any payment due to the Master Franchisee to any past indebtedness of the Master Franchisee due to the Franchisor or its related corporations under this Agreement or any other agreement and whether for fees, purchases, interest or for any other matter, regardless of how the Master Franchisee may request the fee to be applied. This shall include all costs borne by Franchisor under section 6.12 of this Agreement. All payments to be made by the Master Franchisee to the Franchisor shall be made without any set-off or deduction whatsoever.~~

~~5.5 — Place of Payment. All payments required to be made to the Franchisor or Master Franchisee pursuant to this Agreement shall be made to the Franchisor or Master Franchisee at~~

such address as provided in Section 19 of this Agreement. If the address of either Franchisor or Master Franchisee changes a party must notify the other party in writing of the address change.

6. MASTER FRANCHISEE'S OBLIGATIONS

6.1 ~~The Master Franchisee shall secure and maintain in force during the Term all required licenses, permits and certificates and shall operate its Units and shall ensure that its Unit Franchisees operate their Units in full compliance with all applicable laws, ordinances, and regulations, including without limitation all government regulations relating to occupational health and safety, consumer protection, unfair and deceptive practices, trade regulation, workers² compensation, unemployment, insurance and the payment of withholding and income tax and such other taxes as may be levied in respect of the operation of Units by the Master Franchisee or its Unit Franchisees. The Master Franchisee shall pay when due all amounts payable pursuant to any provision of this Agreement or any other agreement or arrangement with the Franchisor or its related corporations or pursuant to any agreement or arrangement with any other creditor or supplier of its Units. The Master Franchisee will be responsible for management and support efforts to Unit Franchisees in their market.~~

6.2 ~~Full Time Efforts. The Master Franchisee shall, subject to the approval of the Franchisor, appoint an individual ("Designated Representative") who shall devote his or her full time and best endeavors to the development, management, support and supervision of Units within the Area and ensure that all Units operated, shall meet all of the Franchisor's specifications, standards and operating procedures. The Designated Representative shall agree to be bound by the confidentiality and non-competition provisions of this Agreement and be willing to submit to the Master Franchisee Training. If, for any reason, the Designated Representative no longer continues to act in that capacity, the Master Franchisee shall appoint another Designated Representative whose confirmation will be subject to the approval of the Franchisor and who will be required to meet the requirements set forth in section 7.1.3.~~

6.3 ~~Employee Confidentiality. Upon the Franchisor's request the Master Franchisee shall advise the Franchisor of the names of all of its management, sales, purchasing and technical employees and shall require each such employee to enter into a confidentiality agreement in the form approved by the Franchisor which shall include provisions relating to confidentiality of the Proprietary Assets.~~

6.4 ~~Master Franchisee Standards and Procedures. The Master Franchisee shall follow all of the standards and procedures as set forth by Franchisor from time to time with respect to the solicitation of prospective Unit Franchisees.~~

6.5 ~~Support. Master Franchisee and franchisor shall support the Unit Franchisees by providing all support obligations under the applicable franchise agreement with the Unit Franchisee. The Master Franchisee will follow all standards, specifications, and procedures of the Franchisor to assist Unit Franchisees with proper set up of the Unit, marketing programs, design of facilities, purchase of equipment and supplies, setting up record keeping, setting up accounts, setting up computer software, reporting and all other obligations as set forth in this Agreement and in the Franchisor's Operating Manual.~~

6.6 ~~Breach by Unit Franchisee. In the event that Franchisor determines, in its sole~~

~~opinion, that any Unit Franchisee is in breach of its Franchise Agreement, the Master Franchisee shall take all steps reasonably required by the Franchisor to ensure that the Unit Franchisee cures any such breach. If because of such breach or any other reason the Franchisor deems it necessary to terminate the agreement with the Unit Franchisee, the Franchisor shall have no obligation to the Master Franchisee whatsoever for the termination of the Unit Franchisee or any lost income by the Master Franchisee because of the termination regardless of the reason for the termination.~~

~~6.7 Inspections. At a minimum the Master Franchisee must complete an inspection of each of the Units owned by its Unit Franchisees every twelve months. The inspections will include operational, health, safety, sanitation, standards. If during any of these inspections, Master Franchisee notices any violation, including but not limited to any issues of impropriety between a client and a franchisee employee, the violation must be immediately reported to the Franchisor. Failure to report any such violation could result in a breach of this Agreement. Master Franchisee must provide a Unit report to the Franchisor within 14 days of each inspection.~~

~~6.8 Master Franchisee's Obligations for Unit Franchisees~~

~~6.8.1 — The Master Franchisee shall be adequately staffed to ensure compliance with this Agreement in order to support the Unit Franchisees;~~

~~6.8.2 — The Master Franchisee shall ensure that all relevant franchise documentation is collected and appropriately provided for each Unit opened within the Area;~~

~~6.8.3 — The Master Franchisee shall ensure that all local laws and regulations are complied with pursuant to this Agreement and also Unit Franchisees;~~

~~6.8.4 — The Master Franchisee shall provide or arrange for Franchisor to provide all training of the Unit Franchisees required by their applicable franchise agreements.~~

~~6.8.6 — The Master Franchisee shall implement and uphold the provisions of the franchise system to be followed by Unit Franchisees, as established and modified by Franchisor from time to time. The Master Franchisee shall ensure that the Unit Franchisees are following all standards and specifications of the Franchisor and assist the Unit Franchisees in following these standards and specifications. All violations of Franchisor's standards will be immediately reported to Franchisor. Failure to report violations of our standards is grounds for termination of this Agreement.~~

~~6.9 Meetings/Conference Calls. The Master Franchisee or its designated representative shall attend, at its own expense, all mandatory Master Franchisee meetings held and required by Franchisor. At the Franchisor's sole option, the Franchisor shall hold monthly "sales development conference calls" as a tool to enhance the development of~~

~~Co/LAB. The Designated Representative shall be available each month for up to two hours to participate in the sales development conference calls or other conference calls and meetings as designated from time to time by the Franchisor.~~

~~6.10 Franchisor's Right to fulfill Obligations. Should at any time during the Term of this Agreement the Franchisor, in its sole discretion, determines that the Master Franchisee is not performing its support obligations to the Unit Franchisees as provided in this Agreement and in the Master Franchise Operating Manual, then the Franchisor, notwithstanding any other right it has under this Agreement, may in its sole discretion provide the support to the Unit Franchisees. If Franchisor chooses to provide such support to the Unit Franchisees, the Franchisor can deduct any costs that it incurs for the support, including but not limited to costs for travel, lodging and salary of its employees sent to provide the support, from the Royalty Fee due to the Master Franchisee.~~

~~7. FRANCHISOR'S OBLIGATIONS~~

~~7.1 Training. The Franchisor shall provide the Master Franchisee and its employees with reasonable access for the Designated Representative to attend the Co/LAB Master Franchisee training program during the first two months of this Agreement, at no additional cost to the Master Franchisee, save that the Master Franchisee shall bear all travel, accommodation and living expenses in relation to the training of any such person.~~

~~7.1.1 Additional Assistance. The Franchisor shall provide to the Master Franchisee such additional reasonable operating assistance as the Franchisor determines from time to time to be necessary. The cost for such additional support shall be borne by the Master Franchisee.~~

~~7.1.2 Designated Representative Training. Subject to section 6.1 of this Agreement, you must have a designated representative who will devote their full time efforts to the Master Franchisee. This designated representative must complete the Co/LAB Master Franchisee training. The Designated Representative can either be yourself or your designee. If the Designated Representative is no longer available to devote full time efforts, you must designate a new individual and immediately notify us of the new designee. We shall provide a training program to the new designated representative, consisting of approximately two (2) days, of training, as we determine, in our sole discretion, at a site to be designated by us. You will send your designated representative to this training program, will pay all expenses of your representative for attendance at the program, and will pay a fee to us for providing the training not to exceed 50% of the Development Fee.~~

~~7.2 Manuals; Materials. The Franchisor shall lend to the Master Franchisee during the Term one or more copies of its Co/LAB Operating Manual and such other materials that the Franchisor believes may be useful to the Master Franchisee. Master Franchisee recognizes and acknowledges that the MF Operating Manual and other materials that Franchisor provides pursuant to this Section are confidential trade secrets of Franchisor and their use is governed by the terms set forth in section 9 herein.~~

8. NAMES, MARKS AND MARKETING

~~8.1 Use of Marks. The Master Franchisee acknowledges that Co/LAB is the owner of all the Marks licensed to Master Franchisee or Unit Franchisees under a franchise agreement and that all usage thereof by the Master Franchisee and any goodwill established thereby shall inure to the exclusive benefit of Franchisor. The Master Franchisee shall not use any of the Marks as part of any corporate name or with any prefix, suffix or other modifying words, terms, designs or symbols (other than logos licensed to the Master Franchisee hereunder), nor may the Master Franchisee use any of the Marks in connection with the sale of any unauthorized product or service or in any other manner not explicitly authorized in writing by the Franchisor. The Master Franchisee shall not engage and shall use its best efforts to ensure that the Unit Franchisees shall not engage in any activities that would impair the value of the Marks or goodwill associated with the Marks.~~

~~8.2 Marketing Use. The Master Franchisee has the right to use our Marks in conjunction with any advertisements and solicitations to prospective franchisees subject to section 2.2.2 of this Agreement. The Master Franchisee agrees that its advertising, promotion and marketing will be completely clear, factual and not misleading and conform to the highest standards of ethical advertising and marketing and the advertising and marketing policies that we prescribe from time to time. All media use, advertising, publicity, signs, decorations, equipment or other materials employing, in any way, the word "CO/LAB" or any derivative thereof, or any of our logos, service marks or trade names, shall be submitted to us for written approval prior to publication or use. "Media use" as used herein includes, but is not limited to, printed publications, video, radio and personalized products such as t-shirts. Franchisor may provide specific guidelines for advertising and promotion initiated by individual franchisees or groups of franchisees on a cooperative basis and Franchisor reserves the right to disapprove any advertising or promotion which, in our sole opinion, is not in the best interest of the franchise system.~~

~~8.3 Challenging the Marks. The Master Franchisee will not directly or indirectly contest the validity of CO/LAB's ownership or the Franchisor's right to use and license the use of the Marks, nor will it attempt to register any Mark or derivative thereof. The Master Franchisee recognizes and acknowledges that Co/LAB's right to regulate the use of the Marks includes, without limitations, any use of the Marks in any form of electronic media such as web sites, web pages, or as a domain name or electronic media identifier. Upon termination or expiration of this Agreement the Master Franchisee shall not be entitled to any compensation for goodwill associated with its use of the Co/LAB System or the Marks.~~

~~8.4 Infringement; Indemnification. The Master Franchisee shall immediately notify the Franchisor of any infringement of or challenge to the Master Franchisee's use of any of the Marks or any claim by any person of any rights in any of the Marks, or any suspected passing-off or unfair competition involving the Marks or the Co/LAB System and the Master Franchisee shall not communicate with any person other than the Franchisor and its counsel in connection with any such infringement, challenge or claim.~~

9. TRADE SECRETS, NEW PROCESSES, CONCEPTS AND IMPROVEMENTS

~~9.1 Confidential Information.~~ The Master Franchisee acknowledges and agrees that its entire knowledge of the operation of the Co/LAB System, is and will be derived from information disclosed to the Master Franchisee by the Franchisor and that such information is and shall at all times remain confidential and a trade secret of the Franchisor. The Master Franchisee agrees that it will maintain the absolute confidentiality of such information during and after the Term, disclosing same only to the Master Franchisee's employees (who shall have executed, upon request by the Franchisor, an agreement in the form satisfactory to the Franchisor agreeing not to divulge or disclose any trade secret and to keep confidential all proprietary information and, if requested by the Franchisor agreeing not to directly or indirectly engage or have any interest in any other massage business during the period of employment and for a reasonable specified period thereafter) and only to the extent necessary to carry out his obligations under this Agreement, and that they will not use such information in any other business or in any manner not specifically authorized or approved in writing by the Franchisor.

~~9.2 Improvements.~~ The Master Franchisee agrees that if it or a Unit Franchisee shall develop any new concept, process or improvement in relation to the Co/LAB System, the Master Franchisee shall promptly notify the Franchisor and shall provide the Franchisor with all necessary information with respect thereto without compensation for it. The Master Franchisee acknowledges and agrees that such concept, process or improvement shall be the property of the Franchisor, that the Franchisor may itself utilize or disclose to other franchisees such information and that the Master Franchisee shall take all steps and signs all documents necessary or desirable to ensure that such property is vested in the Franchisor.

~~10. THE MASTER FRANCHISEE'S COVENANTS NOT TO COMPETE~~

~~10.1 In Term Covenant.~~ The Master Franchisee and its shareholders covenant and agree that they will not (and shall ensure that their related corporations shall not) directly or indirectly during the Term without the prior written approval of the Franchisor have any interest as an owner, investor, partner, licensee, lender, director, officer, employee, consultant, representative or agent, or in any other capacity, in any competitive business (except Co/LAB Units operated under franchise agreements entered into between the Master Franchisee and the Franchisor) or in any business or entity which franchises or licenses or otherwise grants to others the right to operate a competitive business.

~~10.2 Post Term Covenant.~~ The Master Franchisee and its shareholders covenant and agree that upon termination or expiration of this Agreement for any reason, (subject, however, to any Franchise or Sub Franchise Agreements, which may remain outstanding) they shall not (and shall ensure that their related corporations shall not) for a period of two (2) years commencing on the effective date of termination or expiration of this Agreement directly or indirectly, engage as an owner, investor, partner, licensee, lender, director, officer, employee, consultant, representative or agent, or in any other capacity, in any business or entity which operates or franchises or licenses or otherwise grants to others the right to operate a headlight restoration business within the Area, without the prior written consent of the Franchisor.

~~10.3 Five Percent (5%) Exception.~~ The covenants contained in this Clause 10 shall not apply to the ownership by the Master Franchisee or its shareholders (or their related corporations) of less than a five percent (5%) beneficial interest in the securities of any corporation listed on a recognized stock exchange.

~~10.4 No Solicitation. The Master Franchisee acknowledges and agrees that during the term of this Agreement it shall not (and shall ensure that its related corporations shall not) directly or indirectly solicit any person employed by the Franchisor, or any of Franchisor's other Master Franchisees, nor will it induce or attempt to induce any such person to leave their employment without the Franchisor's prior written consent.~~

~~11. TERMINATION BY THE MASTER FRANCHISEE~~

~~If the Master Franchisee is in compliance with this Agreement and the Franchisor breaches a material provision of this Agreement and fails to cure such breach within ninety (90) days after written notice thereof is delivered to the Franchisor, or such other period as may be reasonable given the nature of the breach, the Master Franchisee may terminate this Agreement and the Master Franchise effective thirty (30) days after delivery to the Franchisor of notice of termination. Any termination of this Agreement and the Master Franchise by the Master Franchisee other than in accordance with this clause shall be deemed to be a termination by the Master Franchisee without cause and not in accordance with the provisions of this Agreement.~~

~~12. TERMINATION BY THE FRANCHISOR~~

~~12.1 Termination without a Cure Period. In addition to all other rights of the Franchisor to terminate this Agreement as provided herein, the Franchisor may terminate this Agreement without providing an opportunity to cure the default and the Master Franchise effective upon delivery of a notice of termination to the Master Franchisee, if:~~

~~12.1.1 — the Master Franchisee makes an assignment for the benefit of or enters into any arrangement with creditors or stops payment or is unable to pay its debts within the meaning of the Pennsylvania Company or Insolvency Code or if the Master Franchisee goes into liquidation or if an order is made or a resolution is passed for the winding-up of the Master Franchisee or if the Master Franchisee commits any act of bankruptcy; or~~

~~12.1.2 — the Master Franchisee on three (3) or more occasions within any one (1) year period fails to submit when due, sales reports or financial statements or to pay when due fees or other payments owed to the Franchisor or its related corporations under this Agreement or any other agreement; or~~

~~12.1.3 — the Master Franchisee is convicted of any offense or crime or engages in any conduct which the Franchisor in its honestly held opinion believes may substantially impair the goodwill associated with the Marks; or~~

~~12.1.4 — the Master Franchisee has made any material misrepresentation to the Franchisor in relation to its application for the Master Franchise; or~~

~~12.1.5 — the Master Franchisee intentionally under-reports the sales of its Unit(s) for any period or periods or if an audit by the Franchisor discloses an understatement of sales and the Master Franchisee fails to pay the applicable fees to the Franchisor under any agreement between Franchisor and Master Franchisee~~

~~together with interest due thereon within five (5) days after receipt of the final audit report; or~~

~~12.1.6 — the Master Franchisee is in breach of any of the provisions contained in sections 6, 8, 9, and 10 of this Agreement; or~~

~~12.1.7 — the Master Franchisee fails to properly execute any documents required by this Agreement or in connection with the operation of any Unit or which is necessary to properly implement or effect any of the provisions of this Agreement and fails to correct such failure within thirty (30) days after written notice is delivered to them; or 13.1.8 the Master Franchisee or any of its related corporations directly or indirectly contest the validity of the Marks or Franchisor's ownership of the Marks or the Franchisor's right to use or to license others to use the Marks; or~~

~~12.1.8 — The Master Franchisee is in breach of any agreement with the Franchisor which would entitle the Franchisor to terminate such agreement; or~~

~~12.1.9 — there is any change in the beneficial or legal shareholding of the Master Franchisee without prior written consent of the Franchisor; or~~

~~12.2 — Termination with Cure Period. Notwithstanding clause 13.1 hereof, the Franchisor shall have the further right to terminate this Agreement and the Franchise, effective upon delivery of a notice of termination to the Master Franchisee, if the Master Franchisee fails to comply with any provision of this Agreement or any specification, standard or operating procedure or rule prescribed by the Franchisor and fails to correct such failure within:~~

~~12.2.1 — fifteen (15) days if such failure relates to the use of any of the Marks or the quality service provided by or the cleanliness or sanitation of any Unit in the Area;~~

~~12.2.2 — fifteen (15) days if such failure is to pay any money due and payable by the Master Franchisee pursuant to any provision of this Agreement, or any other agreement between the Franchisor or its affiliates or its subsidiaries;~~

~~12.2.3 — thirty (30) days after receiving written notice for failure to follow any standard or specification of Franchisor;~~

~~12.2.4 — thirty (30) days if the designated representative ceases to be actively and substantially engaged in the management and operation of the business of the Master Franchisee; and~~

~~12.2.5 — in respect to any other failure or breach, thirty (30) days after written notice of such failure (which notice shall describe the action the Master Franchisee must take to correct same) is delivered to the Master Franchisee.~~

~~12.3 — Suspension of New Agreements. Effective immediately upon receipt of notice~~

of default, the Master Franchisee's right to enter into new franchise agreements shall be suspended. In addition, the Master Franchisee shall cease all actions and discussions with Unit Franchisees or potential Unit Franchisees regarding new units or new franchise agreements.

~~12.4 — Option to Purchase Assets/Shares. In the event that the Franchisor terminates this Agreement pursuant to sub-clause 13.1 or 13.2 the Franchisor shall have the option (but not the obligation) exercisable within thirty (30) days of such termination or expiration to purchase, at its option, all of the assets of each Unit owned or controlled by the Master Franchisee. Upon execution of the option of the Franchisor to purchase the assets of the unit, the Franchise Agreement for such unit shall be terminated. The purchase price for the assets of the Master Franchisee's Units shall be calculated in accordance with the relevant provisions of the Franchise Agreement in place for each Unit.~~

13. — MASTER FRANCHISEE'S OBLIGATIONS UPON TERMINATION OR EXPIRATION

Subject to any Franchise Agreements or other agreements between the Franchisor and the Master Franchisee which may continue to apply notwithstanding the termination or expiration of this Agreement:

~~13.1 — Cessation of Operations. The Master Franchisee hereby agrees, upon the termination or expiration of this Agreement, to immediately cease operation of the Master Franchise granted under this Agreement, and shall not, thereafter, directly or indirectly, represent to the public or hold itself out as a Co/LAB master franchisee;~~

~~13.2 — Payments. The Master Franchisee hereby agrees, upon the termination or expiration of this Agreement and the Franchise, to pay to the Franchisor within seven (7) days after the effective day of such termination or expiration any fees and other charges as have or will thereafter become due hereunder and are then unpaid together with all damages, costs and expenses including legal fees incurred by the Franchisor or its related corporations relating to any breach of this Agreement.~~

~~13.3 — Confidential Information and Marks. The Master Franchisee agrees that upon termination or expiration of this Agreement for any reason, it shall immediately and permanently cease to use or display in any manner whatsoever any confidential information, trade secrets, or confidential methods, procedures and techniques associated with the Co/LAB System, the Marks and all signs, advertising, material, displays, stationery, forms, products and other articles displaying the Marks nor will it use any Mark which is confusingly similar to or a colorable imitation of any of the Marks nor shall it use any designation of origin or description or representations which may suggest a continuing association with the Co/LAB System. In the event that the Master Franchisee does not immediately and permanently cease to use or display any items including the Marks, the Franchisor shall be entitled to enter any premises occupied by the Master Franchisee to remove the Marks from such items or, at its option, to remove the items containing the Marks from the premises.~~

~~13.4 — Survival. Any provisions of this Agreement which refer to periods after the termination or expiration of this Agreement (which shall be deemed to include, without limitation, sections 9 and 10) shall survive the termination or expiration of this Agreement.~~

~~13.5 — Unit Franchise Agreements. Upon the expiration or termination of this Agreement, each Franchise Agreement then in force with respect to Co/LAB Units owned or controlled by the Master Franchisee shall remain in force and effect for the remainder of the existing year term set forth in the Franchise Agreement.~~

~~13.6 — Operating Manual The Master Franchisee hereby further agrees that upon the termination or expiration of the Franchise, it will immediately return to the Franchisor all copies of the Operating Manual and all other manuals which have been loaned to it by the Franchisor together with all other records and correspondence containing confidential information relating to the operation of its Unit Franchisees and its Units, which is acknowledged to be the property of Co/LAB or the Franchisor and the Master Franchisee shall not retain any copy of or extract from any such material;~~

~~14. — ASSIGNMENTS~~

~~14.1 — By Us. This Agreement is fully assignable by the Franchisor at any time by written notice to the Master Franchisee and shall inure to the benefit of any assignee or other legal successor to the interests of the Franchisor herein. In the event that the Franchisor assigns this Agreement, the Franchisor shall use its best efforts to ensure that the assignee agrees to observe and perform all the terms and conditions on the part of the Franchisor contained in this Agreement and the Master Franchisee shall release the Franchisor from all future liability under this Agreement.~~

~~14.2 — By Master Franchisee. This Agreement and the Master Franchise are personal to the Master Franchisee and neither this Agreement, the Master Franchise, nor any part of the direct or indirect ownership or control of the Master Franchisee (which shall mean and include voting shares and securities convertible thereto, in the Master Franchisee) may be (and the Master Franchisee shall ensure that they are not) voluntarily, involuntarily, directly or indirectly assigned or otherwise transferred or encumbered by the Master Franchisee without first obtaining written consent from the Franchisor. Any unauthorized purported assignment, transfer or encumbrance shall be void and shall constitute a breach of this Agreement.~~

~~15. — OPTION TO PURCHASE~~

~~15.1 — After the fifth year of this agreement, Franchisor has the right to purchase Master Franchise rights at it option, based on a multiple of 5 X EBITDA (Earnings Before Income Taxes and Depreciation of Assets):~~

~~15.2 — Upon Death or Incapacity of Area Developer, Franchisor will pay the estate for the Franchised Area fair market value based on the average of three professional appraisals within six months of the occurrence.~~

~~16. — TRANSFER PROVISIONS~~

~~—— We will consent to a transfer if: we have not exercised our right of first refusal; all obligations owed to us are paid; you and the transferee have signed a general release in a form the same as or similar to the General Release attached to the Franchise Agreement; the prospective transferee meets our business and financial standards; the transferee and all persons~~

~~owning any interest in the transferee sign the then current Master Franchise Agreement; you provide us with a copy of all contracts and agreements related to the transfer; you or the transferee pay a of \$5,000; the transferee or the owners of transferee have agreed to be personally bound by all provisions of the Master Franchise Agreement; the transferee has obtained all necessary consents and approvals of third parties; you or all of your equity owners have signed a noncompetition agreement in a form the same as or similar to the Nondislosure and Non-Competition attached to the Franchise Agreement; and the transferee has agreed that its designated manager will complete the initial training program before assuming management of the Master Franchise business. There will be no Transfer Fees for Immediate Family Members.~~

~~17. INDEPENDENT CONTRACTORS/INDEMNIFICATION~~

~~17.1 — No Agency. The parties hereto are independent contractors and the Master Franchisee is not and shall in no event hold itself out as an agent of the Franchisor for any purpose. The Franchisor shall not, by reason of this Agreement, have any fiduciary relationship with Master Franchisee or Unit Franchisee.~~

~~17.2 — Costs. Neither the Franchisor, nor their affiliates, shall be obligated by any agreements, representations or warranties made by the Master Franchisee nor shall the Franchisor be obligated for any costs, claims, demands, penalties or damages to any person or property directly or indirectly arising out of any act or omission by the Master Franchisee or its agents, affiliates or employees under or relating to this Agreement whether caused by negligent or willful action or failure to act. The Master Franchisee hereby agrees to indemnify the Franchisor against and to reimburse the Franchisor for all such obligations, costs, claims, penalties and damages for which it is held liable and for all costs incurred by it in the defense of any such claim brought against it or in any action in which it is named as a party, including without limitation legal fees, costs of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses. The Franchisor shall have the right to defend any such claim.~~

~~18. MISCELLANEOUS PROVISIONS~~

~~18.1 — Arbitration. Any claim or controversy arising out of or related to this Agreement, or the making, performance or interpretation of this Agreement, will be finally settled by arbitration pursuant to the then prevailing rules of the American Arbitration Association, by one arbitrator appointed in accordance with such rules. All arbitration proceedings will take place in Erie, Pennsylvania. The award of the arbitrator will be the sole and exclusive remedy between the parties regarding any claims, counterclaims, issues or accountings presented or pled to the arbitrator; will be promptly paid free of any tax, deduction or offset; and any costs, fees or taxes incident to enforcing the award will, to the maximum extent permitted by law, be charged against the party resisting such enforcement. The arbitrator shall have the right to award any relief that the arbitrator deems proper under the circumstances to the extent the award of relief is not prohibited by this Agreement. Judgment upon the award of the arbitration may be entered in the court having jurisdiction thereof, or application may be made to such court for a judicial acceptance of the award or an order of enforcement.~~

~~18.2 — Governing Law. Except to the extent governed by the United States Trademark~~

~~Act of 1946 or other United States Federal law, the law applicable to the merits of the dispute shall be the law of the State of Pennsylvania, aside from the Pennsylvania Franchise Investment Law which shall not apply unless its jurisdictional elements are met independently of this clause. The procedural law that is to be applied is Pennsylvania.~~

~~18.3 — Attorney's Fees. If we are required to engage legal counsel in connection with your failure to pay when due amounts owing to us, to submit when due any reports, information or supporting records or otherwise comply with this Agreement, you shall reimburse us for any of the above mentioned costs and expenses which it incurs, whether or not litigation ensues. In addition, if you initiate any legal action (including actions for equitable relief) against us, and we prevails, you shall be liable to us for reimbursements of all attorneys' fees, expert fees, court costs, and other expenses incurred by us in such litigation or arbitration. If Franchisor becomes a party to any litigation or arbitration proceeding concerning this Agreement by reason of any act or omission of you or your authorized representatives and not by any act or omission of us or any act or omission of its authorized representatives, or if we become a party to any litigation or any insolvency proceedings pursuant to the bankruptcy code or any adversary proceeding in conjunction with an insolvency proceeding, you shall be liable to us for reasonable attorneys fees, experts fees and court costs incurred by us in such arbitration, litigation or proceeding regardless of whether such arbitration, litigation or proceeding or action proceeds to judgment. In addition, we shall be entitled to add all costs of collection, late payment charges, attorneys' fees and experts' fees to its proof of claim in any solvency proceedings filed by you.~~

~~18.4 — Limitation Upon Commencement of Actions. Any and all claims and actions arising out of or relating to this Agreement or the relationship of the parties to this Agreement, brought by any party against the other, will be commenced within one (1) year from the occurrence of the facts giving rise to such claim or action, or such claim or action shall be barred.~~

~~18.5 — Binding Effect. This Agreement is binding upon the parties hereto and their respective heirs, assigns and successors in interest.~~

~~18.6 — No Waiver. No delay or omission by the Franchisor to exercise any right or power arising from any default shall impair any right or power or shall be construed to be a waiver of any right or any such default by the Master Franchisee under this Agreement or acquiescence therein. No waiver of any breach of any of the covenants of this Agreement shall be construed, taken or held to be a waiver of any other breach or waiver, acquiescence in or consent to any further or succeeding breach of the same covenant. Neither the rights herein given to receive, collect, sue for or distain for any fees, moneys or payments or to enforce the terms, provisions and conditions of this Agreement or to prevent the breach or non observance thereof or the exercise of any such right or of any other right or remedy hereunder or otherwise granted or arising shall impair the right or power of the Franchisor to declare the Term ended and to terminate this Agreement because of any default in or breach of any of the covenants, provisions or conditions of this Agreement. Nothing contained in any other agreement between the Master Franchisee and the Franchisor or their respective shareholders or related corporations shall impair or diminish any right or remedy of the Franchisor under this Agreement or the right of the Franchisor to strictly enforce the~~

~~provisions of this Agreement, nor shall any rights or remedies be impaired or diminished by reason of any other commercial arrangement between the Master Franchisee and the Franchisor or their respective shareholders or related corporations, including, without limitation, any debtor/creditor arrangement between such parties or any right of the Franchisor, its shareholders or related corporations to acquire, own or dispose of any capital stock of the Master Franchisee.~~

~~18.7 — Accord and Satisfaction. No payment by the Master Franchisee or any third party or receipt by the Franchisor of a lesser amount than any fee payable hereunder shall not be deemed to be other than on account of such fee nor shall any endorsement or statement on any check or any letter accompanying any check or payment be deemed an accord and satisfaction. The Franchisor may accept such check or payment without prejudice or its rights to recover the balance of such fee or pursue any other remedy provided for in this Agreement.~~

~~18.8 — Force Majeure. Neither party shall be in default of its delay in performance or failure to perform any of its obligations hereunder, when and if the delay nor does failure arise from a cause that is beyond the control of the party failing to perform. Such force majeure (which includes, inter alia, strikes, acts of God, and acts of war, laws and regulations) would suspend the fulfillment of the obligations under this Agreement until it is over. If the force majeure lasts more than one (1) year, the Franchisor shall have the right to terminate this Agreement.~~

~~18.9 — Entire Agreement; Headings. The preamble, recitals, schedule and annexure hereto and other documents expressly incorporated herein are a part of this Agreement, which constitutes the entire agreement between the parties hereto and there are no other oral or written understandings or agreements between the Franchisor and Master Franchisee relating to the subject matter of this Agreement. The headings of the clauses hereof are for convenience only and do not define, limit or construe the contents of such paragraphs.~~

~~18.10 — Severability. The language of all provisions of this Agreement shall be construed simply according to its fair meaning and not strictly against the Franchisor or the Master Franchisee. Master Franchisee recognizes that the portions of this Agreement relating to payment of fees and royalties, and protection of trade secrets and Marks are critical to this Agreement and if any portion of them is declared invalid or unenforceable, for any reason, Franchisor shall have the option to terminate this Agreement immediately, upon written notice to Master Franchisee. It is the desire and intent of the parties hereto that the provisions of this Agreement be enforced to the fullest extent permissible. Accordingly, if any part of this Agreement for any reason shall be declared invalid and unenforceable, such provision shall be severed (and this shall not affect the validity of the remaining provisions) or, if possible, modified to best preserve the intentions of the parties and this Agreement, so modified, shall remain in full force and effect. Moreover, any provision not provided for herein, however mandatory pursuant to applicable law, shall be deemed to be part of this Agreement and enforceable. If any applicable law or rule requires a greater prior notice of the termination of or election not to renew this Agreement, or the taking of some other action hereunder, than is required hereunder, the prior notice or other requirements required by such law or rule shall be substituted for the notice requirements hereof.~~

~~18.11 — Amendments. This Agreement may not be amended except in writing signed by~~

~~an authorized representative of the Franchisor and the Master Franchisee.~~

~~18.12 — Remedies. No right or remedy herein conferred upon or reserved to the Franchisor is exclusive of any other right or remedy provided or permitted to it by law or equity.~~

~~19. — **NOTICES**~~

~~19.1 — Any notices or other communications to be given under this Agreement shall be in writing, delivered by hand, e-mail, certified or registered mail, facsimile or courier service to the following address (which may be changed by written notice):~~

~~**To Franchisor:**
—— Marsh and Munar Team, LLC
—— 8795 Peach Street
—— Eric, PA 16509~~

~~**To Master Franchisee:**

_____~~

~~19.2 — All written notices shall be deemed delivered at the time delivered by hand, two (2) business days after transmission by e-mail or facsimile transmission, five (5) business days after being placed into the hands of a commercial courier, or ten (10) business days after transmittal via registered or certified mail.~~

~~20. — **ACKNOWLEDGMENT**~~

~~—— The Master Franchisee acknowledges that it has conducted an independent investigation of the business contemplated by this Agreement and recognizes that it involves business risks making the success of the venture largely dependent upon the business abilities of the Master Franchisee. The Franchisor expressly disclaims the making of and the Master Franchisee acknowledges it has not received or relied upon any warranty or guarantee expressed or implied as to the potential volume, profits or success of the business venture contemplated by this Agreement.~~

~~IN WITNESS WHEREOF, the parties hereto set their hands and seals the day and year first hereinbefore written.~~

FRANCHISOR: _____

By: _____

Title: _____

MASTER FRANCHISEE: _____

By: _____

Title: _____

EXHIBIT F
FINANCIAL STATEMENTS

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

Marsh and Munar Team, LLC
12/01/2024

Current Assets:

<u>Cash</u>	<u>\$9,900</u>
<u>Due from Affiliate</u>	<u>-</u>

Total Current Assets \$9,900

Fixed Assets

<u>Equipment</u>	<u>-</u>
<u>Accum Depreciation</u>	<u>-</u>

Total Fixed Assets -

Other Assets

<u>Intangible Assets</u>	<u>-</u>
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Total Assets \$9,900

Current Liabilities

<u>Accounts Payable</u>	<u>-</u>
<u>Due to Affiliates</u>	<u>\$9,900</u>

Total Liabilities \$9,900

Member's Equity

<u>Member's Equity</u>	<u>-</u>
------------------------	----------

Total Equity -

Total Liabilities and Equity \$9,900

1. Munar Mortgage LLC- DBA Co/LAB Lending, 5/2014 - Present
2. Tmmt LLC, Managing Member, 12/2016 - Present
3. Marsh & Munar Team LLC- DBA Co/LAB Lending Franchise, 8/2019 - Present
4. Keystone Capital LLC, 1/2003 – Present
5. Marsh & Munar Team PR, LLC, 11/2020 - Present

Eric Varner – Director of Franchising & Marketing. Eric Varner has been our Director of Franchising & Marketing in Erie, Pennsylvania, since 1/2022.

1. Marsh and Munar Team, LLC, Director of Marketing, 1/2022 – Present
2. Keystone Alliance Mortgage, LLC, Director of Marketing, 12/2016 – Present

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

Franchise Fee

When you sign your franchise agreement, you must pay us \$30,000 as the initial franchise fee. This fee is uniform and is not refundable.

All Initial Fees are deferred until Franchisor has satisfied its pre-opening obligations to Franchisee and Franchisee has commenced business operations.

**Item 6
OTHER FEES**

Type of Fee	Amount	Due Date	Remarks
Royalty	Standard Franchise: 6% of your gross sales	Monthly, by the 15th of the following month	See Note 1 and Note 2 and Note 3.
Marketing Fund Contribution	1% of your gross sales	Monthly, by the 15th of the following month	See Item 11 for a detailed discussion about these funds. Amounts due will be withdrawn by electronic wire transfer from your designated bank account.
Market Cooperative Contribution	As determined by co-op. Currently, none.	Monthly, by the 15th of the following month	We have the right to establish local or regional advertising cooperatives. The maximum contribution that a co-op may require is 2% of gross sales. Any location owned by us or any affiliate will have the same voting rights as our franchisees. Dues will be imposed by a majority vote and will not be less than 1% of gross sales. If any location owned by us or any affiliates have a majority vote, the maximum fees imposed will not exceed 3% of gross sales.
Replacement / Additional Training fee	Currently, \$285 per person per day.	Prior to attending training	If you send a manager or other employee to our training program after you open, we will charge our then-current training fee.
Third party vendors	Pass-through of costs, plus reasonable administrative charge. Currently, none.	Varies	We have the right to require franchisees to use third-party vendors and suppliers that we designate. Examples can include computer support vendors, mystery shopping, and customer feedback systems. The vendors and suppliers may bill franchisees directly, or we have the right to collect payment for these vendors together with a reasonable markup or charge for administering the payment program <u>of 10% of the cost of the service paid to supplier.</u>
Software subscription	Currently; \$79 per month \$49 per user for support	Monthly	We require you to use certain software as described in Item 11. You pay subscription fees directly to the software supplier, and not to us.

Type of Fee	Amount	Due Date	Remarks
Non-compliance fee	\$500	On demand	We may charge you \$500 if your business is not in compliance with our system specifications or the franchise agreement and you fail to correct the non-compliance after 30 days' notice. Thereafter, we may charge you \$250 per week until you correct such non-compliance.
Reimbursement	Amount that we spend on your behalf, plus 10%	Within 15 days of invoice	If we pay any amount that you owe or are required to pay to a third party, you must reimburse us.
Late fee	\$100 plus interest on the unpaid amount at a rate equal to 18% per year (or, if such payment exceeds the maximum allowed by law, then interest at the highest rate allowed by law)	On demand	We may charge a late fee if you fail to make a required payment when due.
Insufficient funds fee	\$30 (or, if such amount exceeds the maximum allowed by law, then the maximum allowed by law)	On demand	We may charge an insufficient funds fee if a payment made by you is returned because of insufficient funds in your account.
Costs of collection	Our actual costs	As incurred	Payable if we incur costs (including reasonable attorney fees) in attempting to collect amounts you owe to us.
Special support fee	Our then-current fee, plus our expenses. Currently, \$600 per day.	On demand	If we provide in-person support to you in response to your request, we may charge this fee plus any out-of-pocket expenses (such as travel, lodging, and meals for employees providing onsite support).
Customer complaint resolution	Our expenses	On demand	We may take any action we deem appropriate to resolve a customer complaint about your business. If we respond to a customer complaint, we may require you to reimburse us for our expenses.
Records audit	Our actual cost	On demand	Payable only if (1) we audit you because you have failed to submit required reports or other non-compliance, or (2) the audit concludes that you under-reported gross sales by more than 3% for any 4-week period.

Type of Fee	Amount	Due Date	Remarks
Special inspection fee	Currently \$600, plus our out-of-pocket costs	On demand	Payable only if we conduct an inspection of your business because of a governmental report, customer complaint or other customer feedback, or your default or non-compliance with any system specification.
Non-compliance cure costs and fee	Our out-of-pocket costs and internal cost allocation, plus 10%	When billed	We may cure your non-compliance on your behalf (for example, if you do not have required insurance, we may purchase insurance for you), and you will owe our costs plus a 10% administrative fee.
Transfer fee	\$10,000 plus any broker fees and other out-of-pocket costs we incur	When transfer occurs	Payable if you sell your business.
Liquidated damages	An amount equal to royalty fees and marketing fund contributions for the lesser of (i) 2 years or (ii) the remaining weeks of the franchise term.	On demand	Payable if we terminate your franchise agreement because of your default, or if you terminate the franchise agreement without the right to do so.
Indemnity	Our costs and losses from any legal action related to the operation of your franchise	On demand	You must indemnify and defend (with counsel reasonably acceptable to us) us and our affiliates against all losses in any action by or against us related to, or alleged to arise out of, the operation of your franchise (unless caused by our misconduct or negligence).
Prevailing party's legal costs	Our attorney fees, court costs, and other expenses of a legal proceeding, if we are the prevailing party	On demand	In any legal proceeding (including arbitration), the losing party must pay the prevailing party's attorney fees, court costs and other expenses.

Item 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT - FRANCHISE AGREEMENT

Type of expenditure	Amount	Method of payment	When due	To whom payment is to be made
Initial franchise fee (see Note 1)	\$ 30 5,000 - \$30,000	Check or wire transfer	Upon signing the franchise agreement	Us
Rent and Lease Security Deposit (see Note 2)	\$2,500 - \$6,000	Check	Upon signing lease	Landlord
Utilities (see Note 3)	\$0 - \$500	Check, debit, and/or credit	Upon ordering service	Utility providers
Leasehold Improvements (see Note 4)	\$0 - \$12,000	Check	As incurred or when billed	Contractors
Market Introduction Program (see Note 5)	\$2,500 - \$5,000	Check, debit, and/or credit	As incurred or when billed	Vendors and suppliers
Furniture, Fixtures, and Equipment	\$1,000 - \$10,000	Check, debit, and/or credit	As incurred	Vendors and suppliers
Computer Systems	\$1,200 - \$3,600	Check, debit, and/or credit	As incurred	Vendors and suppliers
Insurance and Bonds	\$1,000 - \$4,000	Check	Upon ordering	Insurance company
Signage	\$1,000 - \$8,000	Check, debit, and/or credit	Upon ordering	Vendor
Office Expenses	\$500 - \$1,000	Check, debit, and/or credit	As incurred	Vendors
Licenses and Permits	\$1,800 - \$3,500	Check	Upon application	Government
Professional Fees (lawyer, accountant, etc.)	\$1,000 - \$3,000	Check, debit, and/or credit	As incurred or when billed	Professional service firms
Travel, lodging and meals for initial training (see Note 6)	\$1,250 - \$2,500	Cash, debit or credit	As incurred	Airlines, hotels, and restaurants
Additional funds (for first 3 months) (see Note 37)	\$10,000 - \$25,000	Varies	Varies	Employees, suppliers, utilities

Type of expenditure	Amount	Method of payment	When due	To whom payment is to be made
Total	\$ 5429 ,750 - \$114,100			This is the total estimated initial investment to open and commence operating your initial location for the first three months (as described more fully in Chart A of this Item 7). See Note 3.

Notes

1. The Franchise Fee is paid at the time you execute the Franchise Agreement. We offer direct financing for the Franchise Fee as defined in Item 10, which allows for the Franchisee to put \$5,000 down as a deposit towards the total Franchise Fee with monthly payments of \$2,083.33. The high end of the investment accounts for the franchise fee being paid in full.

2. Our estimates in this table assume you pay one month rent plus a security deposit before you open for business. We expect that you will rent your location. If you choose to purchase real estate instead of renting, your costs will be significantly different. The office space you will use to operate the business will be 1,000 to 2,000 square feet in size and will typically be located in a commercial office area.

3. The cost for utilities accounts for the cost to engage the utility providers in your market for gas, electric and possibly water. Because you will be leasing a small office space for the operation of the business, many office leases will include the utilities and you will not have a utility payment which is what the low end of the investment range accounts for.

4. The leasehold expenses accounts for the cost of construction or renovation for your office space that you will be using for the operation of the franchised business. The low end of the investment assumes that you will be moving into an office space that does not require any construction or build out expenses. The high end of the amount assumes you will have some construction costs associated with moving into the office space.

5. The Market Introduction Program accounts for your cost of advertising and lead generation for promoting the franchised business during your first month of operations. Included in this expense, we account for your opening purchase of branded merchandise and apparel you will purchase for marketing and promoting the business.

6. The cost of the initial training program is included in the Franchise Fee, this range of investment accounts for your cost of travel, food and lodging to attend training. We have accounted for only one person to attend training, so if you have more than one person joining for training, these costs may be higher.

Item 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Generally

~~We have the right to require you to purchase or lease all goods, services, supplies, fixtures, equipment, inventory, computer hardware and software, real estate, or comparable items related to establishing or operating your business (1) either from us or our designee, or from suppliers approved by us, or (2) according to our specifications.~~

Specific Obligations

The following are our current specific obligations for purchases and leases:

A. Real Estate. Your business location is subject to our approval and must meet our specifications.

B. Insurance. You must obtain insurance as described in the Franchise Agreement and in our Brand Standards Manual, which includes

(i) Fidelity Bond Coverage as required by state,

(ii) Workers Compensation coverage as required by state law,

(iii) Commercial General Liability insurance, including products liability coverage, and broad form commercial liability coverage,

(iv) Cyber Security,

(v) Business Automobile Liability insurance including owned, leased, non-owned and hired automobiles coverage in an amount of not less than \$1,000,000,

(vi) Mortgage Broker's Errors and Omissions insurance up to \$1,000,000.

Your policies (other than Workers Compensation) must list us and our affiliates as an additional insured, must include a waiver of subrogation in favor of us and our affiliates, must be primary and non-contributing with any insurance carried by us or our affiliates, and must stipulate that we receive 30 days' prior written notice of cancellation.

C. Point-of-sale software and hardware, and related software and hardware. You must purchase (or lease) the point-of-sale software and hardware, and related software and hardware, that we specify. See Item 11 for more details.

D. Merchandise, Products and services. You ~~must~~ have the option, but not the requirement to purchase products and services from our Affiliate, which includes branded merchandise such as shirts, hats, sweatshirts and other marketing material showcasing the Co/LAB Brand. These items will be purchased from Marsh and Munar Team, LLC or from a approved supplier.

E. Mortgage Processing. You have the option to use our Affiliate for mortgage processing, not the requirement. If you choose to use other outside vendors for mortgage processing, we must approve your vendor.

Us or our Affiliates as Supplier

Our affiliate, Marsh and Munar Team, LLC is currently a optional supplier of goods or services that you ~~must have the option to purchase from in that you are required to purchase all of the branded merchandise and apparel from our Affiliate, Marsh and Munar, LLC.~~ We reserve the right to be a supplier (or the sole supplier) of a good or service in the future.

Ownership of Suppliers

Outside of your ~~option requirement~~ to purchase branded merchandise and materials from our Affiliate, none of our officers own an interest in a supplier to our franchisees.

Alternative Suppliers

If you want to use a supplier that is not on our list of approved suppliers, you must request our approval in writing. We will grant or revoke approvals of suppliers based on criteria appropriate to the situation, which may include evaluations of the supplier's capacity, quality, financial stability, reputation, and reliability; inspections; product testing, and performance reviews. Our criteria for approving suppliers are not available to you. We permit you to contract with alternative suppliers who meet our criteria only if you request our approval in writing, and we grant approval. There is no fee for us to review or approve an alternate supplier. We will provide you with written notification of the approval or disapproval of any supplier you propose within 30 days after receipt of your request. We may grant approvals of new suppliers or revoke past approvals of suppliers on written notice to you, or by updating our Manual.

Issuing Specifications and Standards

We issue specifications and standards to you for applicable aspects of the franchise in our Manual and/or in written directives. We may issue new specifications and standards for any aspect of our brand system, or modify existing specifications and standards, at any time by revising our Manual and/or issuing new written directives (which may be communicated to you by any method we choose). We will generally (but are not obligated to) issue new or revised specifications only after thorough testing in our headquarters, in company-owned outlets, and/or a limited market test in multiple units.

Revenue to Us and Our Affiliates

We will not derive revenue from the required purchases and leases by franchisees. ~~Because we are a new franchisor, our total revenue in the prior fiscal year was \$0. Our revenue from all required purchases and leases of products and services by franchisees in the prior fiscal year was \$0. The percentage of our total revenues that were from required purchases or leases in the prior fiscal year was 0%.~~

Proportion of Required Purchases and Leases

We estimate that the required purchases and leases to establish your business are 50% to 80% of your total purchases and leases to establish your business.

We estimate that the required purchases and leases of goods and services to operate your business are 50% to 80% of your total purchases and leases of goods and services to operate your business.

Payments by Designated Suppliers to Us

We will receive payments from designated suppliers from franchisee purchases based on the following: some of the products we require and recommend pay us an affiliate commission.

Purchasing or Distribution Cooperatives

No purchasing or distribution cooperative currently exists.

Negotiated Arrangements

We do negotiate purchase arrangements with suppliers, including price terms, for the benefit of franchisees. However, this is subject to change in the future.

Benefits Provided to You for Purchases

We do not provide any material benefit to you based on your purchase of particular goods or services, or your use of particular suppliers.

Item 10 FINANCING

~~We do offer direct financing services, we do not guarantee your note, lease or obligations.~~ The financing option will allow you to finance the initial Franchise Fee when you purchase the franchised business. The financing structure is the following, but will vary depending on the model of the franchise you purchase.

Item Franchised	Source of Financing	Down Payment	Amount Financed	Term (Years)	Interest Rate	Monthly Payment	Prepay Penalty	Security Required	Liability Upon Default	Loss of Legal Right on Default
Initial Fee	Franchisor	\$5,000	\$25,000	1	0%	\$2,083.33	None	Personal Guaranty	Termination of Franchise	None

We offer direct financing for existing loan officers who invest in a franchise. They will be permitted to make monthly payments of \$2,083.33 per month, no interest

Marketing:

We send Franchises monthly marketing guide of content to use with their database, social accounts, etc.

Length of Time to Open

The typical length of time between signing the franchise agreement and the opening of your business is 3-6 months. ~~You will be required to have the franchised business open within 180 Days from the date of executing the Franchise Agreement.~~ Factors that may affect the time period include your ability to obtain a lease, obtain financing, develop your location, obtain business permits and licenses, and hire employees.

Our Post-Opening Obligations

After you open your business:

A. *Developing products or services you will offer to your customers.* Although it is our intent and practice to refine and develop products or services that you will offer to your customers, the franchise agreement does not obligate us to do so.

B. *Hiring and training employees.* We will provide you with our suggested staffing levels (Section 5.2), suggested guidelines for hiring employees (Section 5.2), and operational instructions in the Manual which you can use as part of training new employees (Section 5.3). All hiring decisions and conditions of employment are your sole responsibility.

C. *Improving and developing your business; resolving operating problems you encounter.* If you request, we will provide advice to you (by telephone or electronic communication) regarding improving and developing your business, and resolving operating problems you encounter, ~~in our sole discretion to the extent we deem reasonable.~~ If we provide in-person support in response to your request, we may charge a fee (currently \$600 per day) plus any out-of-pocket expenses (such as travel, lodging, and meals for our employees providing onsite support). (Section 5.5)

D. *Establishing prices.* Franchisee determines their own prices. Franchisor will advise about pricing upon request, and Franchisor may strongly encourage certain pricing. (Section 5.5 and 7.4).

E. *Establishing and using administrative, bookkeeping, accounting, and inventory control procedures.* We will provide you our recommended procedures for administration, bookkeeping, accounting, and inventory control (Section 5.5). We may make any such procedures part of required (and not merely recommended) procedures for our system.

F. *Marketing Fund.* We will administer the Marketing Fund (Section 5.5). We will prepare an unaudited annual financial statement of the Marketing Fund within 120 days of the close of our fiscal year and will provide the financial statement to you upon request. (Section 9.3)

ILLINOIS ADDENDUM TO DISCLOSURE DOCUMENT

In recognition of the requirements of the Illinois Franchise Disclosure Act of 1987, as amended (the “Act”), this Disclosure Document is amended as follows:

Illinois law governs the agreements between the parties to this franchise.

Section 4 of the Act provides that any provision in a franchise agreement that designates jurisdiction of venue outside the State of Illinois is void. However, a franchise agreement may provide for arbitration outside of Illinois.

Section 41 of the Act provides that any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with the Act or any other law of Illinois is void.

Your rights upon termination and non-renewal of a franchise agreement are set forth in sections 19 and 20 of the Act.

All Initial Fees are deferred until Franchisor has satisfied its pre-opening obligations to Franchisee and Franchisee has commenced business operations. The Illinois Attorney General’s Office imposed this deferral requirement due to the Franchisor’s financial condition.

No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on behalf of the 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.

ILLINOIS RIDER TO FRANCHISE AGREEMENT

This Rider amends the Franchise Agreement dated _____ (the “Agreement”), between Marsh and Munar Team, LLC, a Pennsylvania Limited Liability Company (“Co/LAB Franchising”) and _____, a _____ (“Franchisee”).

1. Definitions. Capitalized terms used but not defined in this Rider have the meanings given in the Agreement. The “Illinois Act” means the Illinois Franchise Disclosure Act of 1987.

2. Governing Law and Jurisdiction. Notwithstanding any provision of the Agreement to the contrary, the Agreement is governed by Illinois law. The parties irrevocably submit to the jurisdiction and venue of the federal and state courts in Illinois, except for matters which the Agreement provides will be resolved by arbitration.

3. Limitation of Claims. No action can be maintained to enforce any liability created by the Illinois Act unless brought before the expiration of 3 years from the act or transaction constituting the violation upon which it is based, the expiration of 1 year after Franchisee become aware of facts or circumstances reasonably indicating that Franchisee may have a claim for relief in respect to conduct governed by the Illinois Act, or 90 days after delivery to the Franchisee of a written notice disclosing the violation, whichever shall first expire.

4. Waivers Void. Notwithstanding any provision of the Agreement to the contrary, any condition, stipulation, or provision purporting to bind Franchisee to waive compliance with any provision of the Illinois Act or any other law of the State of Illinois is void. This Section shall not prevent Franchisee from entering into a settlement agreement or executing a general release regarding a potential or actual lawsuit filed under any of the provisions of this Act, nor shall it prevent the arbitration of any claim pursuant to the provisions of Title 9 of the United States Code.

5. Fee Deferral. All Initial Fees are deferred until Franchisor has satisfied its pre-opening obligations to Franchisee and Franchisee has commenced business operations. The Illinois Attorney General’s Office imposed this deferral requirement due to the Franchisor’s financial condition.

6. No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on behalf of the 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. Effective Date. This Rider is effective as of the Effective Date.

Agreed to by:

FRANCHISOR:

FRANCHISEE:

MARSH AND MUNAR TEAM, LLC

By: _____
Name: _____
Title: _____
Date: _____

By: _____
Name: _____
Title: _____
Date: _____

MINNESOTA ADDENDUM TO DISCLOSURE DOCUMENT

In the State of Minnesota only, this Disclosure Document is amended as follows:

- Minnesota Statutes, Section 80C.21 and Minnesota Rules 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of the franchisee's rights as provided for in Minnesota 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 Minnesota Statutes, Section 80C.14, Subd. 3-5, which require (except in certain specified cases) (1) 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 (2) 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, Section 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. 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, which states "No action may be commenced pursuant to this Section more than three years after the cause of action accrues."
- No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including, fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed with the franchise.

MINNESOTA RIDER TO FRANCHISE AGREEMENT

This Rider amends the Franchise Agreement dated _____ (the “Agreement”), between Marsh and Munar Team, LLC, a Pennsylvania Limited Liability Company (“Co/LAB Franchising”) and _____, a _____ (“Franchisee”).

- 1. Definitions.** Capitalized terms used but not defined in this Rider have the meanings given in the Agreement. The “Minnesota Act” means Minnesota Statutes, Sections 80C.01 to 80C.22.
- 2. Amendments.** The Agreement is amended to comply with the following:

Minnesota Statutes, Section 80C.21 and Minnesota Rules 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of the franchisee’s rights as provided for in Minnesota 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 Minnesota Statutes, Section 80C.14, Subd. 3-5, which require (except in certain specified cases) (1) 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 (2) 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, Section 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. 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, and therefore the applicable provision of the Agreement is amended to state “No action may be commenced pursuant to Minnesota Statutes, Section 80C.17 more than three years after the cause of action accrues.”

No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including, fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other

person acting on behalf of the franchisor. This provision supersedes any other term of any document executed with the franchise.

3. Effective Date. This Rider is effective as of the Effective Date.

Agreed to by:

FRANCHISOR:

FRANCHISEE:

MARSH AND MUNAR TEAM, LLC

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____