

FRANCHISE DISCLOSURE DOCUMENT



Connect, Confide, and Collaborate LLC,
a Georgia limited liability company
4778 Ellington Court
Marietta, GA 30067
(800) 878-1976
franchise@trustegritty.com
www.trustegritty.com

Trustegritty® Global's franchisees each own and operate a business which facilitates business groups comprised of business leaders, entrepreneurs and professional advisors. These groups allow members to connect, confide and collaborate under the tradename Trustegritty® under a uniform business format and using specifically designed procedures, methods and designs collectively known as the "Trustegritty® System."

The total investment necessary to begin operation of a Trustegritty® franchise is approximately \$37,525 - \$74,275. This includes \$~~17,500~~25,375 to \$~~22,500~~27,375 that must be paid to the franchisor or our affiliate ("us") prior to the opening of your franchised business.

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, contact David Alexander or Sybil Melton at 4778 Ellington Court, Marietta, GA 30067, telephone number 800-878-1976, or email to: franchise@trustegritty.com.

The terms of your contract will govern your franchise relationship. Don't rely on the Disclosure Document alone to understand your contract. Read all 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, N.W., 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: ~~June 23, 2023~~July 16, 2024

HOW TO USE THIS FRANCHISE DISCLOSURE DOCUMENT

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

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

WHAT YOU NEED TO KNOW ABOUT FRANCHISING *GENERALLY*

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

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

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

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

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

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

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

STATE REGISTRATION REQUIREMENT

Your state may have a franchise law, or other law, that requires franchisors to register before offering or selling franchises in the state. Registration does not mean that the state recommends the franchise or has verified the information in this document. To find out if your state has a registration requirement, or to contact your state, use the agency information in Exhibit (A).

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

SPECIAL RISKS TO CONSIDER ABOUT *THIS* FRANCHISE

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with us by litigation or arbitration only in Georgia. Out-of-state litigation or arbitration may force you to accept a less favorable settlement for disputes. It may also cost you more to litigate or arbitrate with us in Georgia than your own state.
2. **Financial Condition.** The franchisor's financial condition as reflected in its financial statements (see Item 21) may call into question the franchisor's ability to provide services and support to you.
3. **Mandatory Minimum Payments.** You must make minimum royalty payments or advertising contributions regardless of your sales levels. Your inability to make these payments may result in termination of your franchise and loss of investment.
4. **Short Operating History.** The Franchisor is at an early stage of development and has limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.

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.

**(THE FOLLOWING APPLIES TO TRANSACTIONS GOVERNED BY
THE MICHIGAN FRANCHISE INVESTMENT LAW ONLY)**

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

Each of the following provisions is void and unenforceable if contained in any documents relating to a franchise:

- (a) A prohibition on the right of a franchisee to join an association of franchisees.
- (b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protection provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- (c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.
- (d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.
- (e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.
- (f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.
- (g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

- (i) The failure of the proposed transferee to meet the franchisor's then-current reasonable qualifications or standards.
- (ii) The fact that the proposed transferee is a competitor of the franchisor or sub-franchisor.
- (iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.
- (iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.
- (h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).
- (i) A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual services.

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

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

Any questions regarding this notice should be directed to:

State of Michigan Department of Attorney General
G. Mennen Williams Building, 7th Floor
525 W. Ottawa Street
Lansing, Michigan 48909
Telephone Number: (517) 373 7117

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

For ease of reference in this Disclosure Document (the “Disclosure Document”), we will refer to Connect, Confide, and Collaborate LLC d/b/a Trustegritty® Global as “we,” “us,” or “our” and to the person who buys the franchise (whether that person is an individual or group of individuals, corporation, partnership or limited liability company) as “you.” If you are a corporation, partnership or limited liability company, “you” also includes your shareholders, partners, members, and guarantors.

The Franchisor

We are a Georgia limited liability company. Our mailing address is 4778 Ellington Court, Marietta, GA 30067. Our principal business address is 4778 Ellington Court, Marietta, GA 30067. Our telephone number is 800-878-1976. We were initially organized on April 29, 2020. We are in the business of selling and servicing franchises that own and operate a Trustegritty® business which offers services through a group setting under the tradename Trustegritty® under a uniform business format and using specifically designed procedures, methods and designs collectively known as the “Trustegritty® System.”, which we refer to as “Franchises” in this Disclosure Document and have been offering franchises for this business since April 30, 2020. Connect, Confide, and Collaborate LLC has not conducted business or offered franchises in any other line of business. We currently are conducting business under the name Trustegritty® Global. Trustegritty® Global does not currently operate any other line of business of the type being franchised, with the exception of providing the coaching and training services referenced in this document.

Our Registered Agent

Our registered agent in Georgia for service of process is David Alexander. The registered office address is 4778 Ellington Court, Marietta, GA 30067. If we have an agent for service of process in your state, that agent is disclosed in **Exhibit A**.

Our Parents and Affiliates

Our company is a wholly owned subsidiary of our parent company High Achievers Holdings, LLC (“HAH”), which is a Nevada limited liability company with the same office as our company. High Achievers Training, LLC, a Nevada limited liability company formed on July 28, 2011 (“HAT”), High Achievers Innovations, LLC, a Nevada limited liability company formed on April 25, 2018 (“HAI”) and High Achievers Enterprises, LLC, a Georgia limited liability company formed on July 9, 2018 (“HAE”) are ~~Nevada limited liability companies both~~ controlled by HAH. HAT, HAI and HAE are our Affiliates. HAT is the operating company for our company owned regions. HAI owns and is the operating company for the High Achievers “Software as a Service” subscription service for Independent Coaches. HAE operates the High Achievers franchise system which offers peer advisory and business coaching services. The principal business address for HAH, HAT, HAI and HAE is 4778 Ellington Court, Marietta, GA 30067.

As of 2019, Franchisor’s affiliate HAT owns and operates certain Trustegritty® franchise territories which are run by Regional Connectors.

Our Predecessors

Trustegritty® began in 2012 and rapidly expanded throughout the United States. Trustegritty® was founded on the idea that if businesspeople have the right connections, strategic advice, and opportunities to share knowledge, they can truly take their business to the next level of success. Trustegritty® has developed a proprietary business system (the “System”), which involves providing business professionals a better way to connect, confide and collaborate. Trustegritty® Business meetings provide the opportunity for members to share connections and knowledge sharing. Meetings include an interactive roundtable discussion and opportunities for members to be peer advisors for each other.

In 2018 Trustegritty® decided to take their proven concept and began franchising. HAH acquired Trustegritty®'s assets from Success Masters, LLC, a Utah limited liability company who is not a parent, predecessor or affiliate of ours in 2019. The Trustegritty® franchise assets were then transferred to Connect, Confide and Collaborate LLC in May 2020. Trustegritty® sold one franchise during 2018.

The Business You Will Conduct

If you buy a Franchise from us, you will have the right to operate a Trustegritty® franchise, which will facilitate groups comprised of business leaders, entrepreneurs and professional advisors. These groups allow members to connect, confide and collaborate under the trade name Trustegritty® pursuant to a uniform business format and using specifically designed procedures, methods, and designs. If and when you decide to buy a Trustegritty® Franchise, you will receive a complete business system for owning and operating a Franchise, which includes a license to use our trademarks, service marks and licenses. This Disclosure Document also describes the services and support that we provide to you, such as training, consultation, and continuing advice and assistance concerning the operation of the Franchise.

We offer the right to operate a Trustegritty® Franchise within a specific location for a term of eight years. After your franchise term expires, you have the right to renew your term for consecutive additional 8-year periods as long as you are in compliance with your Franchise Agreement and meet the requirements which are described in this Disclosure Document and in your Franchise Agreement.

Under your Franchise Agreement, we grant to you the right to operate multiple Trustegritty® Business Groups of Trusted Advisors using our name and marks. We also will grant you the non-exclusive right to use certain designs, layouts, color schemes, trademarks, and service marks, which belong to us or were developed by us. We also will grant you the right to use certain trade secrets, operating methods, and other confidential and valuable information. We will refer to this information as "Proprietary Information." A current list of Approved Equipment, Products, and Services is disclosed in the Operations Manuals, which we may change occasionally in our discretion. If we change the Operations Manuals, we will let you know by providing a copy in your franchise cloud Drive folder, however, you are responsible for ensuring that you are using the most current version of the Operations Manual.

The goods, products, and services you offer at your Trustegritty® Business will be marketed to the general public with an emphasis on targeting entrepreneurs, business coaches, sales and other business professionals. We will train you in the basic management and operations of your Trustegritty® Business.

The General Market

Trustegritty® franchisees compete primarily with high level business communities, peer advisory boards, mastermind groups, and business coaching and training organizations. The market for this business is significant. There are over 25 million businesses in the US and even a more significant number around the world. The business coaching, entrepreneur group and training industry is an incredible 350+ billion dollar global business opportunity and the sales in this market are not seasonal. This is a growing community that has a need for our programs.

Industry-Specific Regulations

In the operation of a Franchise, you may be required to comply with local, state, and federal laws, rules, regulations, and ordinances which apply to the operation of your Franchise, including those which (a) establish standards, specifications and requirements for the construction, design and maintenance of the interior and/or exterior of the premises; (b) regulate matters concerning the health, safety and welfare of your employees and guests; (c) regulate matters pertaining to employee health and safety (such as teen labor laws); (d) set standards and requirements for fire safety and general emergency preparedness; (e) govern staff qualifications and training; and (f) govern record keeping, accounting, and tax

compliance. Depending on the location of your Trustegritty® Business, your landlord may impose additional requirements or restrictions.

In most states, you, as the Franchise operator, will have to obtain an annual, renewable business license and/or bond, ~~business license.~~ There may be other licenses or permits that you require depending on the location of your Trustegritty® Business. You should investigate whether there are regulations or requirements that apply in the particular geographic area in which you are interested in locating your Franchise, and you should consider both their effect and the cost of compliance. We advise that you consult with an attorney to ensure compliance with all relevant laws.

ITEM 2: BUSINESS EXPERIENCE

David Alexander: Chief Executive Officer and Chief Operating Officer

David has served as our CEO and COO since April 29, 2020, in Marietta, GA. Concurrently, he serves as CEO and COO of High Achievers Enterprises, LLC from July 1, 2017, to Present, in Marietta, GA.

Kimberly Alexander: Chief Technology Officer

Kimberly has served as our Chief Technology Officer of Trustegritty® Global from April 29, 2020, to present, located in Marietta, GA. Concurrently, she serves as Marketing Director of High Achievers Enterprises, LLC, July 1, 2019 to present and as Chief Technology Officer of High Achievers Enterprises, LLC from January 1, 2018 to present, located in Marietta, GA.

Sybil Melton: Franchise Sales and Development Officer

Sybil has served as our Franchise Sales and Development Officer of Trustegritty® Global from April 29, 2020, to present, located in Marietta, GA. Concurrently, she has also ~~servesserved~~ as our Nexpert Coach Facilitator from July 1, 2019 to present and as a Franchise Sales and Development Officer of High Achievers Enterprises, LLC from January 1, 2018 to present located in Charlotte, NC.

Dan Rawls: National Connector

Dan has served our National Connector of Trustegritty® Global, from April 29, 2020, to present, located in Marietta, GA. Concurrently, he is also a Franchise Owner of Trustegritty®, from April 1, 2020, to present, located in Draper, Utah and -as National Marketing Director for Juice Plus from November 1988 through present located in Knoxville, TN.

ITEM 3: LITIGATION

No litigation is required to be disclosed in this item.

ITEM 4: BANKRUPTCY

No bankruptcy is required to be disclosed in this item.

ITEM 5: INITIAL FEES

Initial Franchise Fee

You must pay us an initial franchise fee amounting to \$15,300 (the “Initial Franchise Fee”) immediately upon execution of your Franchise Agreement, which is deemed fully earned and nonrefundable upon payment. In our last fiscal year, the range of collected initial franchise fees ranged from \$10,300 to \$15,300.

Training Fees and Lift Off Fee

Prior to opening you must also pay us \$3,000 for our Trustegritty® Academy training fee and \$3,000 for our Lift Off fee. You are required to pay your initial training at least fourteen (14) days in advance of the commencement of your scheduled training date of your Trustegritty® Business. You are required to pay your Lift Off fee upon execution of your Trustegritty Franchise agreement.

Veteran's Discount Program. Please note that we are proud to have established and offer a program for qualified veterans of the United States who have been honorably discharged to receive a discount of \$3,000 off the Trustegritty® Academy training fee when purchasing a franchise. We retain the right in our sole discretion to modify or terminate this veteran discount program at any time with or without notice. The factors concerning our decision to modify or terminate the veteran discount program include the number of franchises that we sell, the number of veterans interested in purchasing a franchise and the quality of veteran applicants that we receive.

Technology Fee(s) Paid Prior to Opening

Prior to opening, and at least fourteen (14) days in advance of the commencement of your scheduled training date of your Trustegritty® Business, you will be required to commence payment of our then-current technology fee (the "Technology Fee"). As such, we estimate that you will be required to pay \$1,200.00 to us for the first six months, prior to the opening of your franchised business.

Initial Inventory and Promotional Items

Prior to opening, you must pay us \$1,875 for your initial inventory of coaching materials and between \$1,000 and \$3,000 for certain promotional items for use with your Trustegritty® Business.

Payment Installment

You must pay \$10,000.00 at the time you sign your Franchise Agreement. You must pay an additional installment payment of \$6250.00 on or before the 90th day immediately following the date you sign your Franchise Agreement, and a second installment payment of \$6250.00 on or before the 180th day following the date you sign your Franchise Agreement. You will not be charged any interest on the installment payments. If you do not pay these installment payments by the required date as stated above, you will be in default of your franchise agreement, and we may terminate your Franchise Agreement at our option.

In the alternative, if you pay ~~\$10,300~~12,800 at the time you sign your Franchise Agreement, and the Trustegritty® Academy Fee, the Lift Off Fee, and first six months Technology Fee are to be paid per the schedule in Item 7, then the Initial Franchise Fee shall be reduced by ~~\$5,000~~2,500.00 to ~~\$10,300~~12,800.00. Once you sign the Franchise Agreement, you are obligated to pay the entire Initial Franchise Fee. The initial training fee is non-refundable in consideration of Trustegritty® Global's sales, training, administrative and other expenses in granting the Franchise, preparing to operate the franchise business, and for Trustegritty® Global foregoing the opportunity to offer the Franchise to others; provided, however, that Trustegritty® Global will refund the Initial Franchise Fee less any actual out of pocket expenses incurred if Trustegritty® determines at any time throughout the Trustegritty® Academy Training that the franchisee is not suitable for the business.

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ITEM 6: OTHER FEES

Type of Fee	Amount ¹	Due Date	Remarks
Royalty Fee	12% of Gross Profit ² Beginning on the 13th month Royalty shall be the greater of 12% of Gross Profit or \$250 per month. Beginning of the 36th months and until the end of the term Royalty shall be the greater of 12% of Gross Profit or \$500 per month.	Franchisee shall pay such Royalties on a periodic basis in such manner as may be prescribed by Franchisor	Gross Profit includes all revenue collected by the Franchise from any source, whatsoever, but excluding any tax collected and coaching services paid to and provided by franchisor. This fee is not uniform in all cases and is non-refundable.
Interest	18% per annum, or the maximum interest rate allowed by law, whichever is lower.	Upon demand	We charge you this interest fee if you are late in paying any fees due to us. Interest accrues from the first date a payment is due and becomes payable as soon as a payment is late. This fee is non-refundable.
Product Inventory	\$1875.00	Upon Invoice	Includes: New member kits, facilitator and participant guides, gratitude journals, ABEL training aids and various supplies and Promotional Items. This fee is non-refundable.
General Marketing Fee	\$200 OR 3% of Gross Revenue <u>whichever is higher up to a maximum amount of \$20,000 per year</u>	Payable no later than the 10 th day of each month	This fee is due and payable to the General Marketing Fund.

¹ We may require that you pay by automatic debit all amounts due to us or that we collect. Before opening your franchise, you must sign and deliver to us all documents needed for us to debit your business checking account automatically for all amounts due to us under the Franchise Agreement. You must make funds available for withdrawal by us from your account before each due date. You must keep your information in the CRM system up to date so we can deduct the appropriate amount each month.

² 12% of Franchisee's Gross Profit. (Trustegrity® Franchise Agreement, 4.3.1)

Type of Fee	Amount ¹	Due Date	Remarks
Local Lift-Off Advertising	\$3,000	Upon execution of Franchise Agreement	This fee is for six months of marketing support.
Local Advertising	\$498.00 ³	On a monthly basis	Franchisees may elect after their local lift off program is complete to continue to enroll in the marketing program provided by the franchisor. This marketing fee is non-refundable.
Taxes	Reimbursement of applicable taxes ⁴	Upon invoice	You must pay or reimburse us for all sales, use and/or similar taxes which are collected from us or paid by us on account of goods or services furnished by us to you.
Assignment or Transfer of Rights	\$5,000.00 to \$8,000.00 ⁵	The date of the requested transfer	If you want to transfer your Franchise Agreement to a new franchisee, you or the transferee must pay this fee. It is \$5,000 for transfer to an existing franchisee and \$8,000 to a new franchisee plus any broker fees. This fee is non-refundable.
Franchise Renewal Fee	\$8,000.00 ⁶	No later than 30 days before the date of renewal	As long as you are not in default under any of your obligations to us, and as long as you continue to meet our requirements for approving franchises, your franchise agreement is renewable for additional 8 year periods. This fee is non-refundable.

³ This monthly amount may be reduced if you also subscribe to the administrative services and accounting services bundle.

⁴ This amount may vary depending on a state's tax rate.

⁵ The transfer fee for a transfer or assignment to a new franchisee will be whichever is the *greater* of eight thousand dollars (\$8,000) or half of the then-current Initial Franchise Fee for any transfer in which there is no broker fee.

⁶ The renewal fee for a franchisee will be whichever is the *greater* of eight thousand dollars (\$8,000) or half of the then-current Initial Franchise Fee.

Type of Fee	Amount ¹	Due Date	Remarks
Technology Fee	\$1200.00 1 st six months, then \$200 per month, \$2,400.00 per year thereafter	1 st six months to be Paid two (2) weeks prior to Trustegrity Academy or per Installment plan Thereafter, Paid Monthly	You are required to pay any costs associated with the annual computer software upgrades and updates. This fee is non-refundable.
Initial Training	\$3,000.00	14 days prior to training	We typically conduct initial training at our corporate headquarters and at one of our business sites. The initial Training Fee is nonrefundable in consideration of Trustegrity®'s administration and other advance expenses; provided, however, that Trustegrity® will refund the Training Fee less any actual out of pocket expenses incurred, if Trustegrity® determines at any time through the franchisee's Trustegrity® Academy Training that the franchisee is not suitable for the franchised business.
Additional Training	\$0-2,000 per calendar quarter	As incurred	You will be required to pay the training fee in effect at the time of the training. If we conduct additional training at your Trustegrity® Business, you will also be required to pay the costs and expenses incurred by us, not to exceed \$2,000 per calendar quarter. Additional training cost \$500 per day. In any calendar quarter, if we conduct additional training at our corporate headquarters, you must also pay for your travel and living expenses, including meals. This fee is non-refundable.

Type of Fee	Amount ¹	Due Date	Remarks
Operating Assistance	\$0-2,000 per calendar quarter	Upon demand	If you request, or if we determine that you require, operating assistance, we may charge you a fee, not to exceed \$2,000 per calendar quarter for such assistance that we arrange or provide, and not to exceed \$500 per day. This fee is non-refundable.
Underreported Gross Revenue	Our cost, which we estimate to be approximately \$2,000 to \$4,000, if we determine that your Gross Sales and Revenue figures are in error by 2% or more	Upon demand	We bear the cost of audits unless our audit determines that you have under-reported sales figures by 2% or more. If you have understated Gross Revenue by more than 2%, you must pay us immediately any deficiency in Royalty or Advertising Fees, plus (1) interest at the lower rate of 18% per annum or the maximum rate allowed by law from the date such payments were due; and (2) a late fee of 10% of the amount of Fees understated or the maximum payment allowed by law; and (3) the cost of the audit. Any fees paid pursuant to the audit are non-refundable.
Nexpert Coaching and Consulting Services	We will remit 12% of the commission of this fee to you on all Nexpert coaching, executive coaching, and consulting clients.	Paid Monthly	⁷ This percent is paid to you for each client enrolled to receive Nexpert Coaching for a maximum of two (2) coach sessions per month and pays the franchisor to deliver the coaching program including compensating coaches, administration and management of the program.

⁷ Any coaching engagement exceeding two (2) sessions a month or any engagements requiring an Executive Coach will fall under Corporate engagements and training.

Type of Fee	Amount ¹	Due Date	Remarks
Annual Conference Fee	<p>The then-current annual conference fee (not including your travel and related expenses)</p> <p>If you do not attend the conference you must pay us a non-attendance fee equal to 1.5x the then-current annual conference fee.</p>	Upon demand	<p>We reserve the right to require you to attend an annual conference, and you must attend and pay the then-current fee for the conference. You will separately be responsible for all travel and related expenses you incur to attend the conference.</p>
Meeting Non-attendance Fee	\$500	Upon demand	<p>Payable if you do not attend any meeting, training, or other such event that we may require from time to time that does not require a registration fee.</p>

ITEM 7: ESTIMATED INITIAL INVESTMENT¹

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Initial Franchise Fee	\$15,300	As arranged	When you sign your Franchise Agreement or per Installment Plan schedule	Us
Initial Training Fee	\$3,000	As arranged	14 days prior to training	Us
Initial Inventory	\$1,875	As arranged	As incurred	Us
Lease, deposit, and first month's rent ²	\$0 to \$6,000	As arranged	Only incurred if you choose to lease space	Landlord
Local Lift Off	\$3,000	As arranged	When you sign your Franchise Agreement	Us
Technology Fee = <u>6 Months</u>	\$1,200	As arranged	14 days prior to training	Us
Office Equipment ³	\$2,000 to \$5,000	As arranged	As incurred	Various parties
Furnishings and Fixtures ⁴	\$0 to \$5,000	As arranged	As incurred	Various parties
Grand opening advertising	\$1,000 to \$3,000	As arranged	Within 3 months of opening Trustegrity® Business	Various parties.

¹ All expenses payable to third parties typically are non-refundable, except as you may arrange for utility deposits and other payments.

² It is possible, but not required, that you will lease the premises where your Trustegrity® Business will be located. A lease deposit is typically equal to one month's rent, although this can vary. Usually, the deposit is refundable at the expiration of the lease unless the landlord applies it towards post-occupancy expenses, per your agreement, or unless you breach the lease. Your first month's rent often is due at the time you sign your lease and is applied at the time your rental period begins. Your rental period may begin prior to or after the date you open your Trustegrity® Business, per your agreement with the landlord. Your actual rent will depend, among other factors, upon the location and size of the Trustegrity® Business.

³ Office Equipment includes computers, printers, fax machine, copier lease, etc. The refundability of these fees depends on the terms set by the provider(s).

⁴ Furnishings and fixtures include business tables, chairs, etc. The refundability of these fees depends on the terms set by the provider(s).

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Computer Software	\$500 to \$1,000	As arranged	As incurred	Third party.
Promotional Items	\$1,000 to \$3,000	As arranged	As incurred	Us.
Miscellaneous office supplies	\$100 to \$500	As arranged	As incurred	Various parties.
General Liability Insurance and other Insurance ⁵	\$1,000 to \$3,000	As arranged	As incurred	Insurance providers
Licenses ⁶	\$50 to \$400	As arranged	As incurred	Government agencies and licensing authorities
Utilities ⁷	\$500 to \$1,000	As arranged	As incurred	Third-party utilities
Travel and living expenses while training ⁸	\$1,000 to \$3,000	As arranged	As incurred	Third-parties
Taxes ⁹	\$0 to \$1,000	As arranged	As incurred	Government agencies

⁵ You are allowed to purchase insurance from insurance companies rated not less than an A rating with A.M. Best & Company. The amounts provided are only estimates. Your actual coverage will vary depending upon the state in which your Trustegrity® Business is located. You should contact your insurance provider to determine the exact amount that you would incur for the coverage we require. Insurance payments are usually refundable for any period following the cancellation of an insurance policy for which you have prepaid.

⁶ Some states and municipalities impose license or permit fees on local businesses and on the type of activities that you will conduct. You should ask your local authorities about these fees in your state or municipality. License fees are typically nonrefundable.

⁷ These amounts are for initial deposits for telephone installation, cable or satellite dish installation and other utility connections. You will incur additional expenses for these services. These amounts are payable as incurred to third parties. The deposits may be refundable under the conditions specified in the agreement with the applicable provider.

⁸ You are responsible for the costs you incur on behalf of yourself and your Managers (and anyone else) to attend our mandatory training program. The estimate given is for transportation, meals and lodging for 2 people in the greater Atlanta, Georgia metropolitan area where we hold the initial training program. Transportation costs will vary depending upon the number of attendees, distance traveled, and the mode of transportation selected. There are numerous lodging facilities available at a wide range of prices in the vicinity of our training location. These costs are typically nonrefundable unless they relate to bookings cancelled in compliance with refund policies of vendors.

⁹ You may be in a city, county, or state that imposes taxes on transfers of land or other property or that charges sales tax on services. You should ask your local authorities about these taxes in your state or municipality. Such charges are typically nonrefundable.

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Misc. opening costs	\$1,000 to \$3,000	As arranged	As incurred	Various parties.
Additional Funds - 3 months ¹⁰	\$5,000 to \$15,000	As arranged	As incurred	Various parties
<u>Total</u> ¹¹	\$37,525 to \$74,275			

These estimated initial expenses are our best estimate of the costs you may incur in establishing and operating your Trustegrity® Business. Our estimates are based on our general knowledge of the industry, and current requirements for franchisees. The factors underlying our estimates may vary depending on a number of variables, and the actual investment you make in preparing and opening your Trustegrity® Business may be greater or less than the estimates given depending upon the location of your Trustegrity® Business and the current market conditions.

We do not offer financing of your Initial Franchise Fee or any other fees or expenses payable to us. The availability and terms of financing from third parties depend on many factors, including the availability of financing generally, your creditworthiness and collateral, and the lending policies of financial institutions from which you request a loan. All expenses payable to third parties typically are non-refundable, except as you may arrange for utility deposits and other payments.

ITEM 8: RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You are obligated to operate your Franchise according to our System standards. System standards may regulate, among other things, equipment, signs, materials, training aids and supplies to be used in operating your Franchise, required or authorized products and product categories and designated or approved suppliers of these items. We will call previously approved products we have granted you specific authorization to use “Approved Products.” Our standards will be issued in our Operations Manuals, which may be modified from time to time in order to achieve our quality and uniformity goals and to add to or delete from the list of Approved Products.

Approved Services and Approved Products

You are required to purchase certain inventory items and other products, supplies, and equipment. In order for us to protect and maintain our reputation and the goodwill of our System and our Marks, all

¹⁰ This is your estimated start up expense total for the first 3 months of the operation of your Trustegrity Business. These expenses include payroll costs as well as rent, utilities and costs for replacement of supplies. These figures are estimates, and we cannot guarantee that you will not have additional expenses starting your Franchise. Your costs will depend upon factors such as: how closely you follow our methods and procedures; your management skill, experience, and business acumen; local economic conditions; the local market; the prevailing wage rate; competition; and your actual sales levels.

¹¹ We relied upon our experience to compile these estimates. The actual amount will directly depend on the size of office that you open and other factors. You should review these figures carefully with a business advisor, which may include an attorney and a certified public accountant, before you make any decision to purchase a franchise. Fees payments to Franchisor or Affiliates are nonrefundable in consideration of Trustegrity® Global’s administration and other advance expenses; provided, however, that Trustegrity® will refund all fees received and all the Franchise Fee less any actual out of pocket expenses incurred, if Trustegrity® determines at any time through the franchisee’s Trustegrity® Academy Training that the franchisee is not suitable for the franchised business.

Approved Products, supplies, furnishings, promotional items and equipment must be purchased from a supplier approved by us as meeting our quality standards. We call these suppliers “Approved Suppliers.” A list of Approved Suppliers will be provided to you in your Operations Manuals, which we have the right to change from time to time. We may revoke or deny our approval of a supplier if that supplier fails to adhere to or meet our quality standard or other requirements. Upon receipt of written notice of any such revocation or denial, you must immediately cease to sell any disapproved product and cease to purchase from any such disapproved supplier. If you wish to work with a non-Approved Supplier, you may submit to us a request for a new supplier to become an Approved Supplier. We will approve or disapprove a potential supplier no later than 90 days after you submit your request in writing to us, and we may or may not give a reason for our decision. No Franchisor officer owns an interest in any supplier.

Prior to opening your Franchise, and occasionally throughout the term of your Franchise Agreement, we may require you to purchase certain promotional and/or Promotional Items with our Marks and/or logos from us. We are the only approved supplier of such Promotional Items. Our specifications and requirements are contained in our Operations Manuals. We may also offer, from time to time, additional Promotional Items that you may purchase from us.

We estimate that the required purchases to establish your business are 26% to 53% of your total purchases to establish your business. We estimate that the required purchases while operating your business are 34% to 47% of your total purchases while operating your business.

From time to time, we may negotiate purchase arrangements with suppliers, including price terms, for your benefit and the benefit of other franchisees. Franchisor currently provides no material benefit (such as renewal or the grant of additional franchises) for any franchisee based on a franchisee’s purchase of particular products or services or use of particular suppliers, provided, however, that purchase of certain items from Approved Suppliers (as described above) is a requirement of this Agreement, and failure to do so may lead to the termination of the Franchise Agreement (see Franchise Agreement Section 15).

In our previous fiscal year ending December 31, ~~2023~~2022, we collected ~~\$15,067,504,347~~ in revenues from the sale of ~~any~~ products, supplies, equipment, etc. to ~~any~~ franchisees, which accounted for ~~82.7%~~ of our total ~~2023~~2022 revenue of ~~\$186,801,158,592~~.

You may purchase other miscellaneous supplies required in the general operation of your Trustegrity® Business from any supplier. Such items may include, without limitation, general office supplies, and general-use items.

You must pay all amounts for any equipment, products, supplies, manuals or inventory items that you purchase directly from us in full and in a timely manner. If you are late in your payments to us or any supplier, you may be subject to interest and fees, and you may be held in default of your Franchise Agreement, which may be terminated according to its provisions.

Any product, equipment, packaging, or other item bearing our trademarks or styled according to our trade dress must meet certain specifications, and we must approve it. If you wish to purchase any supplies, equipment or fixtures which are not on one of the approved lists, or any item that does not comply with our System standards, you must first submit sufficient information, specifications, and samples for our determination whether the item complies with System standards, or the supplier meets approved supplier criteria. We have the right to charge you a reasonable fee to cover the costs we incur in making this determination and will, within a reasonable time, notify you of our decision. From time to time, we may establish or modify procedures for submitting requests for approval of items and suppliers, which procedures will be supplied to franchisees in writing upon request and may impose limits on the number of approved items and suppliers. Approval of a supplier may be conditioned upon requirements relating to product quality and continuity and standards of service and may be temporary, pending our further evaluation of the supplier.

We do not currently participate in or otherwise support any purchasing or distribution cooperatives, though we may do so in the future. Additionally, no franchisor officer owns an interest in any supplier.

Insurance

You must obtain and maintain, at your own expense, such insurance coverage as we may require from time to time. Our system standards and/or other agreements may regulate the types, amounts, terms and conditions of insurance coverage required for your Franchise and standards for underwriters of policies providing required insurance coverage; our protection and rights under such policies as an additional named insured; required or impermissible insurance contract provisions; assignment of policy rights to us; periodic verification of insurance coverage that must be furnished to us; our right to obtain insurance coverage at your expense if you fail to obtain required coverage; our right to defend claims; and similar matters relating to insured and uninsured claims. You currently are required to maintain, in the amounts we prescribe from time to time, general and products liability coverage; building coverage; errors and omissions coverage; vehicle insurance; bodily injury and property damage combined to include non-owned and hired auto and other coverage as required by law for all vehicles used in the operation of the franchise; and the statutory workers compensation and disability required by law in your state. The cost of this coverage will vary depending on the insurance carrier’s charges, terms of payment, and your history. All insurance policies must name us as an additional insured party. Your obligations relating to insurance coverage are defined in Section 13 of the Franchise Agreement and currently include, but may not be limited to, minimum single limit broad form comprehensive liability coverage of One Million Dollars (\$1,000,000) per occurrence and Two Million Dollars (\$2,000,000) aggregate coverage; plus One Million Dollars (\$1,000,000) umbrella coverage.

ITEM 9: FRANCHISEE’S OBLIGATIONS

The Following Table Lists Your Principal Obligations Under The Franchise Agreement And Other Agreements. It Will Help You Find More Detailed Information About Your Obligations In These Agreements And In Other Items In This Disclosure Document.

<u>Obligation</u>	<u>Section in Agreement</u>	<u>Disclosure Document Item</u>
(a) Site selection and acquisition/lease	5	1, 5, 11, 12
(b) Pre-opening purchases/leases	5	7, 11
(c) Site development and other pre-opening requirements	5	1, 5, 11
(d) Initial and ongoing training	3, 4, 5	6, 7, 11
(e) Opening	5	7, 11
(f) Fees	4	5, 6, 7
(g) Compliance with standards and policies/operating manuals	9	8, 11, 14, 15
(h) Trademarks and proprietary information	8	13, 14
(i) Restrictions on products/services offered	3	8, 16
(j) Warranty and customer service requirements	20	8, 15, 16
(k) Territorial development and sales quotas	1	12

<u>Obligation</u>	<u>Section in Agreement</u>	<u>Disclosure Document Item</u>
(l) On-going products/service purchases	1, 3	8, 16
(m) Maintenance, appearance, and remodeling requirements	7, 9	11, 17
(n) Insurance	13	6, 7
(o) Advertising	12	6, 7, 11
(p) Indemnification	13	13
(q) Owner's participation/management/staffing	5, 6	11, 15
(r) Records/reports	11	9, 15
(s) Inspection/audits	7	6, 8, 11
(t) Transfer	14	17
(u) Renewal	2	17
(v) Post-termination obligations	16	17
(w) Non-competition covenants	17	17
(x) Dispute resolution	19	17
(y) Payment of taxes	11	6, 7
(z) Compliance with laws	21	1, 7
(aa) Confidentiality	10	14, 17
(bb) Obtain permits	5	1, 7

ITEM 10: FINANCING ARRANGEMENTS

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

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

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

I. Obligations Prior to Opening. Before you open your Trustegrity® Business, we will provide you with the following assistance.

1. Optional Lease: You are not obligated to own or lease separate property for your Trustegrity® Business. You may choose to lease or own the real estate or property where your Trustegrity® Business is located, subject to our approval, or we may assist you by identifying a potential site or by assigning an existing lease to you. The Franchisor shall have 30 days from receipt of address, description, and photos of the proposed leased site, as well as a copy of the proposed lease to complete the approval process for a proposed leased site. Although not automatically disapproved for any of the following considerations, the following items will be taken into consideration by the Franchisor regarding leased space site approval: (i) Location in a business location is preferred, such as in a business office park or building, not in a residential neighborhood or a warehouse or manufacturing facility, (ii) Location should not be in a building which permits exterior neon signage,

(iii) Location should have assigned parking for the building, and (iv) Location should not be in a sublet within another business, unless there is a dedicated Franchise entrance or space is in a professional “business suites” or “Co-working” business environment.

In the unlikely event that Franchisor and Franchisee cannot agree on a site, the two parties would utilize our Early Dispute Resolution procedure by either party notifying the other party to set a date to meet within 30 days to discuss and attempt to resolve the differences over a 60-day period. If there is no agreement, either party may move the dispute to independent third-party mediation or arbitration process under the arbitration rules of the American Arbitration Association and both will abide by that 3rd party resolution decision. This Dispute Resolution, Mediation, and Arbitration process is further outlined and described in Item 19 in the Franchise Agreement Document.

If we assign an existing lease to you, your landlord will expressly waive any responsibility on our part for your lease obligations should you fail to meet the terms of your lease agreement, or should you default in your Franchise Agreement with us. In either case, we will retain the right to enter and retake the premises of your Trustegritty® Business and your Franchise. Franchisor provides no assistance in conforming the leased premises to local ordinances and building codes and obtaining any required permits. Further, Franchisor provides no assistance with constructing, remodeling or decorating the leased premises.

2. Hiring and Training Employees: We will provide you or a designated principal, plus one additional person with up to 5 full consecutive days of initial training in operating the Trustegritty® Business. We may also require you to complete additional initial training at one of our office locations or at another location designated by us, which shall not to exceed 5 consecutive days of additional initial training. You will, however, be responsible for paying for this additional initial training at the rate of \$350 per day. If we reasonably and in good faith determine that additional opening assistance is needed, we will provide you such assistance at a cost of \$250.00 per person per day, plus all out of pocket expenses incurred. We will support you with certain operating assistance that may include advice and guidance with respect to hiring. (Franchise Agreement Section 5.) Ongoing training is also available as detailed in Section 11.III.1, below.

3. Equipment, Signs, Fixtures, and Inventory: After you sign your Franchise Agreement, pay your Initial Franchise Fee, and complete initial training, we will loan you one copy of our Operations Manual which describes our prescribed methods of operation and provides names and contact information of approved vendors/suppliers from whom you will obtain equipment, signs, fixtures, inventory and supplies. The Operations Manual includes written specifications for such items. We do not install or deliver such items. The Operations Manual remains our property, and you must give all parts, reproductions, etc. back to us when and if you no longer own and/or operate your Franchise and permanently erase any electronic copies under your jurisdiction or control. (Franchise Agreement Section 5)

II. Time to Opening:

The typical length of time between the earlier of your signing of the Franchise Agreement or your first payment of consideration for the franchise and the opening of your Trustegritty® Business may vary from as little as thirty (30) days to more than six (6) months. This timeframe is dependent on a number of factors, including, but not limited to which, if any, of the necessary preparations you have completed prior to signing the franchise agreement or paying the franchise fee, whether you have already secured financing or how quickly you are able to obtain financing. (Franchise Agreement Sections 5 and 6).

III. Obligations during Operations. During your operation of your Franchise, we will provide you with the following assistance:

1. During the operating of your Trustegritty® Business, we will provide to you, at your cost, additional training at your request or as we deem necessary in order to ensure that your operation of your Trustegritty® Business meets our specifications. We may conduct training at your Trustegritty® Business

or require you, your Trustegrity® Business Manager, and/or your Regional Administrator to undergo training in the greater Atlanta Metropolitan Area or another area of our choosing. Training may be conducted by any of our corporate instructors or quality control personnel and will include those topics requested by you or those in which we deem necessary to ensure that your Franchise is meeting quality control standards, although it is not our responsibility if your Trustegrity® Business fails to meet quality control standards or fails to comply with the law in any way. We charge our then-current training fee, plus our actual expenses incurred during training if we perform training at your Trustegrity® Business. You must pay for all of your related expenses and travel costs for additional training, including employee salaries. Training for any one individual and training at your Trustegrity® Business should not occur more than 1 time per year and for no longer than 5 consecutive days at any time. (Franchise Agreement Section 3 and 6)

2. We may hold annual conferences to discuss promotional techniques, performance standards, advertising programs and general topics. You will pay our then-current fee for these conferences, and you must pay for all of your travel and living expenses separately. We typically hold these conferences in or around Atlanta, Georgia, and we may require that you attend such conferences. In the future, we may hold these conferences at various locations around the world (Franchise Agreement Section 3). If you do not attend the annual conference, you must pay us a non-attendance fee equal to 1.5x the then-current annual conference fee. We may provide certain advertising, marketing and/or promotional materials to you from time to time and as you request. These materials may include but are not limited to sticky pads, pens, and fliers and workbooks. If we provide any such promotional materials, we will do so at no additional charge. (Franchise Agreement Section 12). The aforementioned promotional materials are separate from any Promotional Items that we may require you to purchase. (Franchise Agreement Section 12)

3. We may conduct from time to time, as we deem necessary, inspections of your Trustegrity® Business and interview your employees, contractors or chairs at any reasonable time to ensure that your Trustegrity® Business is being operated in accordance with the terms and conditions of your Franchise Agreement, the Operations Manuals and other rules and regulations which we may adopt or impose. Our inspections are also designed to make sure you are operating in compliance with federal, state and local laws, regulations and ordinances. You are responsible for paying our expenses, including lodging, travel and meals, for one (1) inspection visit per calendar year, unless additional inspections are due to your non-compliance, in which case we may require that you pay for additional inspection visits. (Franchise Agreement Section 7)

4. We may provide to you, from time to time, as we deem appropriate, advisory assistance and materials pertaining to the operation and/or operational problems of your Franchise. These include periodic updates of the Operations Manuals (as the need arises) and advice in operating your Franchise productively (as information becomes available to us and only as we may deem appropriate). We provide this assistance free of charge. (Franchise Agreement Section 3.2)

5. We will use our best efforts to ensure that you maintain high standards of quality, appearance, professionalism and service in your Trustegrity® Business. (Franchise Agreement Section 3)

6. We will use our best efforts to make sure that our approved suppliers make available to you for purchase all Approved Equipment, supplies, inventory and other products we require or have approved. (Franchise Agreement Section 3)

7. We will, at your request, examine information or samples provided by you about products or services which are not approved by us but which you would like to offer at your Trustegrity® Business. We will decide, based on the information supplied by you and by information we might obtain elsewhere, whether or not to approve the product or service you have presented to us. You are required to pay all of our expenses in connection with any such examination, testing or inspection. (Franchise Agreement Section 3 and 6)

8. We may from time to time offer guidance to you as to price levels of products or services as we reasonably determine is a good business practice, however you have the sole right to set prices, subject to maximum and minimum prices we may impose based on competition in the industry, to the extent permitted by federal and other law. (Franchise Agreement Section 1)

9. Our Operations Manual includes information on administrative, bookkeeping, accounting, sales process and group management that will aid you in the operation of your business. The Operations Manual and the aforementioned information are proprietary and confidential. (Franchise Agreement Section 10).

IV. Advertising/Marketing Program

We set minimum standards for your local advertising program which you must follow in order to remain in compliance with our rules and regulations. These minimum requirements that you must meet are described in Section 12 of the Franchise Agreement. You may distribute your advertising in any local media. You may also use your own advertising material provided you obtain our prior, written consent.

During the fiscal year ended December 31, ~~2023~~2022, we collected a total of \$6,7835,108.17 in Advertising Fund contributions. The marketing fund had expenditures as follows: (i) ~~3039.33%~~ on media production; and (ii) ~~2060.67%~~ on media placement, ~~(iii) 30% on administrative expenses, and (iv) 20% on other expenses.~~

The Advertising/Marketing Fund is for the purpose of our promotion of Trustegritty® brands regionally, nationally and globally. We have complete discretion over the type, quality, quantity, geographic location, timing, placement and choice of media we use in administering the Advertising Fund. We may use in-house, national, or regional advertising agencies as we determine is most beneficial. We are not required to spend any minimum amount on advertising in your local or regional area and advertising need not be proportionate to the amount any franchisee contributes. The Advertising Fund will be audited at Franchisor's discretion or as required. Each year end an accounting of the Advertising Fund is available to you upon request. Any funds not spent in the fiscal year in which they accrue will be spent on advertising in the subsequent year, and if the Advertising Fund is discontinued, will be expended for advertising or promotion of our Trustegritty® brands. The requirements for contributions to this fund are in Item 6 of this Disclosure Document and in Section 12 of the Franchise Agreement. Beginning 30 days from the Franchise opening date ~~and for one (1) year forward from that date~~, the Franchise will contribute 3% Gross Profit monthly to the Advertising Fund. ~~Thereafter, their contribution will be the greater of \$200 or three percent (3%) of Gross Profit monthly with subject to~~ a cap of \$20,000 annually. The Franchises are contributing per the same formula and may be contributing differing amounts as the Advertising Fund deposits are based on each Franchisee's Gross Profit of their owned units. Franchisor or Affiliate outlets will contribute based on the same formula. (Franchise Agreement 12.2.2.1 – 12.2.2.2) This Fund is administered by the Director of Marketing of Trustegritty®.

There is currently no advertising council composed of franchisees that assist us in determining our advertising policies, though we may create one or more such councils in the future. If we were to form such a council, we would select the council's members, and we would retain the right to change or dissolve the council at any time. We anticipate that a council would serve in an advisory capacity, but we may grant to any such council any operational or decision-making powers that we deem appropriate.

Though we currently have no local or regional advertising cooperatives ("Cooperatives") for Franchisees, we may require you to participate in a Cooperative in the future. The amount of your required contribution to the Cooperative would be determined by the Cooperative's members. We may designate any geographic area for purposes of establishing a Cooperative, determine whether a Cooperative applies to your area, and require that any existing Cooperative be changed, dissolved, or merged with another. We may require that any Cooperative operate from written governing documents. We anticipate that any Cooperative would be administered by members of the Cooperative who are duly elected by the other

members and that it would be required to seek and receive our prior written approval of any promotional materials or advertising plans to be used or produced by the Cooperative. We anticipate that any Cooperative to which you belong would be required to prepare annual financial statements and make them available for you and us to review. We may form, change, dissolve or merge an advertising cooperative or an advertising fund. (Franchise Agreement Section 12)

V. Computer Systems

You must obtain and maintain a minimum of 1 computer or tablet in your Trustegrity® Business, each no more than 4 years old, with processing power and storage capacity sufficient at time of purchase to meet our then current specifications, which we may update periodically, but no more than annually, to keep pace with technological changes and developments. Your computers must have high-speed (broadband or similar) internet access and must be equipped, at minimum, one (1) printer and one (1) scanner. You will use the computer system in your main office to track all of your sales and for general communication and management purposes. Our company runs on Apple platforms, and we strongly recommend Apple products.¹²

We require you to maintain the functionality, integrity, and security of your computer systems using appropriate security measures, such as controlled access procedures, regularly updated antivirus software, and reasonable password protection. We require you to install on your computer system and use the most recent version of Microsoft Office software (the “Software”). You may purchase the Software from any supplier. You are required to obtain upgrades and/or updates of the Software no more than one time per calendar year. You are required to obtain independent Software support. Trustegrity® franchisees do not use cash registers, and instead use a computer system for any cash register related functions. The estimated annual costs incurred by the franchisees for any optional or required maintenance updating, upgrading or support contracts for the computer systems is \$100 - \$300 monthly or \$1200 - \$3600 annualized. You must use the Software exclusively to record and store all administrative and promotional data, mailing lists, handle all invoicing, accounts receivables and payables, and run management reports on the recorded data. You must generate and submit to us reports, which we prescribe, from time to time, from this software. (Franchise Agreement Section 6.2.17)

The cost to purchase the computer system is currently \$2,500.

Trustegrity® will have independent access to the information generated and stored in the cash registers or computer system as is stated in Item 11.7 in the Trustegrity® Franchise Agreement. There are no contractual limitations imposed upon the Franchisor’s access to franchisee’s data.

VI. Operating Manual

We have attached a copy of the Table of Contents of our Operations Manual as **Exhibit D**. You will receive a copy of the entire Operations Manual prior to opening your Trustegrity® Business. The current number of pages of the Operations Manual is 148 pages. You will also have access to a wiki inside our membership dashboard which is the operations manual for our membership platform.

VII. Training Program:

We will provide your owners and/or those full-time managers named by you and approved by us to be your Trustegrity® Business managers with no less than 5 days of training in the day-to-day management and operation of a Trustegrity® business. The training program allows up to two individuals to attend training. For every individual after the two individuals an additional charge of \$1,500 will be incurred to you for every additional person that attends our training program. This required initial Franchisee training may be provided in virtual, in-person, or combination of virtual and in-person format to be determined at the sole discretion of the Franchisor. We refer to this as the “Training Program.” We

¹² We are not affiliated with Apple and do not claim any right to use the Apple trademark.

primarily conduct the Training Program at our corporate office and at one or more of our businesses located in Atlanta, Georgia, and surrounding areas; however, we may require additional training at any location in the United States. We offer the Training Program on an as-needed basis. Before you open your Trustegrity® Business, you must complete the Training Program to our satisfaction. You must complete the Training Program no less than 30 days before you open your Trustegrity® Business.

Any new Trustegrity® Business Manager or Connector, or other employee hired by you may, at your option, as is not a requirement of Trustegrity®, attend the Training Program during any calendar year. As a condition to opening your Trustegrity® Business, you or your principal, Business Manager or On-Site Manager must successfully complete training. We also conduct corporate and on-site additional training on an as-needed basis. You may request such additional training or re-training, or we may require that you attend or that we provide such training or re-training, if, in our sole discretion, such training appears to be necessary. Information regarding additional training can be found in Section 3.1 of the Franchise Agreement.

You are responsible for all of the wages, and, if applicable, costs of travel, food and lodging incurred by you and any of your managers or employees during training. Fees associated with training are also located in this Disclosure Document in sections 6, 7, and 11.I.5.

We will not conduct on-site, pre-opening training nor permit you to open for business if your business does not comply with our requirements for design, safety, equipment, inventory, staffing, and experience for the operation of a Trustegrity® business.

Our Training Program is under our direction and is conducted by Sybil Melton, our Franchise Development Officer, who has served in this role since April 29, 2020, located in Marietta, GA. Concurrently, she has also served as our Nexpert Coach Facilitator from July 1, 2019 and as Franchise Sales and Development Officer of High Achievers Enterprises, LLC from January 1, 2018 to present, located in Charlotte, NC. From January 1, 2010, to December 31, 2017, she was the Area Director of Referrals 4 Life, LLC, dba Business Network International (BNI) located in Sherrills Ford, NC. Additionally, others with experience in owning, operating, or managing Trustegrity® franchisees or with technical knowledge in particular areas necessary for the management and/or operation of such a business may help with training. Each person that trains will have no less than two years of experience. Some of our trainers have considerable experience with Trustegrity® franchisees in particular; others, such as equipment vendors or legal consultants, may be retained by us on a one-time, regular, or as-need basis. Trainers use a combination of lecture, discussion, and audio-visual materials and hands-on demonstrations and practice. (Franchise Agreement Section 3).

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TRAINING PROGRAM

Subjects Taught	Hours of Classroom Training¹	Hours of On-the-Job Training¹	Location of Training²
Orientation (Vision, Mission, Values)	1	0	Corporate Offices/ Virtual
Corporate Philosophy	1	0	Corporate Offices/ Virtual
Advertising and Marketing	2	0	Corporate Offices/ Virtual
Chair Certification	3	0	Corporate Offices/ Virtual
State Rules, Regulations, and Licensure	1	0	Corporate Offices/ Virtual
Prospecting and membership Recruiting	3	0	Corporate Offices/ Virtual
Bookkeeping and POS Systems	.5	0	Corporate Offices/ Virtual
Membership Portal Training	2	0	Corporate Offices/ Virtual
Purchasing and Inventory	.5	0	Corporate Offices/ Virtual
Staffing and Business Planning	2	0	Corporate Offices/ Virtual
Customer Relations	1	0	Corporate Offices/ Virtual
Member Orientation	2	0	Corporate Offices/ Virtual
Operations	3	0	Corporate Offices/ Virtual
Total Hours	22	0	

Notes:

1. The exact time spent on each training topic varies depending upon the particular individuals in the Training Program and their prior knowledge of the material.
2. While all training is planned to take place live in our corporate offices located in Atlanta, GA, we may, at our discretion, offer training or retraining at a different location, which may be, for example, in an operating business or in your Trustegrity® Business, and/or be offered in a virtual format.

ITEM 12: TERRITORY

We grant you a territory in which neither we nor any other franchisee of ours will open a Trustegrity® Business. You will receive an exclusive territory. The Franchisor grants an exclusive territory within which to develop your Trustegrity® Business groups (each a “Trustegrity® Business”), and you will be permitted to set up an unlimited number of Trustegrity® Business within your Territory. We reserve the right to: (1) Trustegrity® Global and Trustegrity® franchisees may sell Nexpert Coaching and Consulting programs in any location because Franchisee does not hold an exclusive territory for Coaching clients.

Franchisees may also create or transition virtual Trustegrity® Business as long as the Chair resides within Franchisee’s territory. The Trustegrity® Business physically meeting within Franchisee’s territory shall be permitted to hold virtual meetings, as necessary. So long as you are in full compliance with the Franchise Agreement we will not own, operate, sell, or issue a license for any other Trustegrity® Business to be opened in your Territory as defined by the maps in your franchise agreement. There are no circumstances that permit the franchisor to alter the franchisee’s territorial rights as long as the franchisee is in compliance with the terms of the Franchise Agreement. The Franchisor or affiliate reserves the right to use the other channels of distribution, including the Internet, within the franchisee’s territory using the Franchisors principal trademarks or using trademarks other than those that the Franchisee will use. The Franchisor will not solicit or accept orders inside your territory but will refer all inquiries to the Franchisee marketing within Franchisee’s territory. The Franchisor will provide those prospects to the Franchisee. Notwithstanding the foregoing, another Trustegrity® franchisee recruiting in your Territory may, but is under no obligation to, refer any or all inquiries to you. There is no compensation the Franchisor or Trustegrity® franchisee must pay the Franchisee for soliciting orders within the Franchisee’s territory. The Franchisor will allow the Franchisee to use other channels of distribution, such as the Internet, telemarketing, or other direct marketing outside the Franchisee’s territory to market Trustegrity®, recruit Trustegrity® Business membership for both virtual and physical Trustegrity® Business and make sales for Nexpert Coaching clients.

The license we grant you is for one Trustegrity® Franchise only, and we must approve the location of your Trustegrity® Business, as described in this Disclosure Document. The minimum territory we will grant will consist of 8,000 local businesses. The Franchise business does not require a physical location. It is the point of origin of the meeting location of the Trustegrity® Business which must be within the territory. The franchisor will not approve relocating the franchise territory. We may, at our discretion, reduce the size of your territory if you are in default of the Franchise Agreement or the Area Development Agreement. If we reduce your territory for any reason, we may offer you the right to open and operate an additional franchise within the new territory created, provided that you are in all respects in compliance with your Franchise Agreement. If we make you such an offer, you will have a thirty-day (30) period during which you may accept the offer by signing a new franchise agreement for the new franchise. If you do not exercise this right within the 30-day period, we will have the right to open the business ourselves or offer the new territory to another franchisee or prospective franchisee. Continuation of your non-exclusive territory is not dependent upon your achieving a certain sales volume, market penetration or other contingency.

The Franchisee is not granted any other options, rights of first refusal, or other similar right to acquire additional franchises, unless granted via a separate Option Agreement or Development Agreement. The Franchisor or an affiliate does not operate or plan to operate franchise businesses under a different trademark that will sell goods and services that are the same or similar to those the Franchisee will sell.

ITEM 13: TRADEMARKS

Upon signing of the Franchise Agreement, we will grant you the right to use the Trustegrity® trade name and trademarks for your Franchise and to use any trademarks that we own or license, now or in the future, as we may designate (collectively, the “Trademarks”). The Trademarks include any trade names,

trademarks, service marks and logos, and trade dress used to identify our System and your Franchise. We have registered the following trademarks on the Principal Register with the United States Patent and Trademark Office:

Trademark	Registration Date	Serial or Registration No.
Trustegrity®	Registration: March 14, 2012 Renewed March 9, 2022	Reg. No. 4,225,750
High Achievers®	Registration: November 6, 2021	Reg. No. 4,236,944
High Achievers Network®	Registration: November 6, 2021	Reg. No. 4,236,945

Table Notes: We have filed all required affidavits for the Trademarks with Registration Numbers 4,236,944 and 4,236,945.

There are no agreements currently in effect which significantly limit our right to use or license the use of the Trademarks in any manner material to you. There are no effective material determinations of the United States Patent and Trademark Office or Trademark Administrator of this state or any court, and there are no pending infringements, interferences, opposition or cancellation proceedings or pending or other material litigation involving our Trademarks. The Trademarks have not been registered in any state.

You must follow our rules when you use our Trademarks. You must seek and gain our written approval for your company name, which cannot contain our corporate name or any part of our Trademarks. You may not use our Trademarks in connection with the sale of an unauthorized product or service or in a manner not authorized in writing by us. If your Franchise Agreement terminates for any reason, you must cease using all names that contain our Trademarks, including, but not limited to corporate names, trade names, and domain names, and assign such names to us or our assignee without further payment.

You must modify or discontinue the use of a Trademark if we modify or discontinue it. If we are, at any time, required by a court of law or the terms of a settlement agreement to destroy or transfer ownership in any item bearing our Trademarks, and if such item is in your possession, whether or not you have purchased such item, you are required, upon written notice by us and without payment or compensation, to take all requested steps to destroy or transfer ownership in such items according to our instructions. In any such event, you will be responsible for making any necessary changes, at your own cost, to signage, inventory, advertising materials, or any other affected materials that we may specify.

We have the right at any time, upon notice to you, to modify any of the Trademarks to the extent which we in good faith determine to be consistent with the overall best interests of the franchised operations. If we modify any of our Trademarks, we may require that you cease using any of the former Trademarks or versions of such Trademarks, assign to us and deliver to us at our expense, but without additional remuneration, all materials bearing such Trademarks, and cease all use of such Trademarks for any purpose whatsoever.

We will use our best efforts to protect our Trademarks, including taking any action which we, in our discretion, deem appropriate in the event of any claimed or apparent infringements of such Trademarks. You must notify us promptly when you learn about an infringement of or challenge to our Trademarks. We have the absolute right to take the action we think appropriate and to control all litigation or administrative action involving one or more of our Trademarks. You must not, under any circumstances, start any legal action relating to our Trademarks without first obtaining our written consent to do so.

We will indemnify you against any claim of infringement resulting from your authorized use of any of our Trademarks, provided that you immediately notify us of any such infringement claim. We have the sole right to conduct the defense of and settle any such claim and to retain control of any negotiations related to any such claim. You must cooperate in all actions taken by us with respect to any such claim and must assist us, at our expense, in the defense of any such claim. If you fail to notify us of any such claim,

or if you take any unauthorized action with respect to the settlement of any such claim, including the conduct of any settlement negotiations relative to such claims, our indemnity of you shall be deemed waived and released in all respects.

You agree never to contest, directly or indirectly, our ownership, title, right or interest in or to the aforementioned Trademarks, or any of our trade secrets or business techniques, or to take any action whatsoever in derogation of such claimed interests, including any attempt by you to adopt, use or register any name, mark or logo similar to those licensed to you by us.

Upon expiration or termination of the Franchise Agreement, all of your rights to use our Trademarks will terminate automatically.

ITEM 14: PATENTS AND COPYRIGHTS AND PROPRIETARY INFORMATION

At this time we do not own rights in or licenses to patents, nor do we have any pending patent applications. Although we have not filed an application for a copyright registration for the Operations Manuals or for this Disclosure Document, we claim a copyright and the information provided therein and herein is proprietary. We will use our best efforts to protect our copyrights, including taking any action which we, in our discretion, deem appropriate in the event of any claimed or apparent infringements of such copyrights. You must notify us promptly when you learn about any possible infringement of or challenge to our copyrights. We have the absolute right to take the action we think appropriate and to control all litigation or administrative action involving one or more of our copyrights. You must not, under any circumstances, start any legal action relating to our copyrights without first obtaining our written consent to do so.”

Item 11 of this Disclosure Document describes limitations on the use of the Operations Manuals by you and your employees. In addition to the Operations Manual and this Disclosure Document, we will provide you with other information that we consider competitively sensitive and strictly confidential. This “confidential information” includes our specifications and equipment, marketing strategies, operations techniques, financial information, training programs and prospective franchisee lists. You and your officers, managers, and principal employees are prohibited from using all of the information we consider proprietary and/or confidential for long as such information remains confidential, and are required to sign agreements as to the same. To the extent that we disclose any trade secrets to you or any of your principals, you, said principals, and all employees are also prohibited from duplicating or disclosing such trade secrets as long as the information remains secret.

Also, you are required to sign agreements with us which prohibit you from competing against us, or working in any way with someone else who does, ~~or during the term of your Franchise Agreement and for two (2) years afterward. You will also be prohibited from~~ soliciting customers or employees from us or other franchisees, ~~during the term of your Franchise Agreement and for a period of 3 years after you are no longer operating your Franchise~~ one (1) year afterward. Your principals, officers, managers, and principal employees are required to sign similar agreements prohibiting competition and solicitation of our customers and employees during the term of their employment with you and for a period of 2 years following termination of their employment. You must also promptly tell us when you learn about unauthorized use of any proprietary information including the trademarks that we license you to use. We are not obligated to take any action based on the information you provide us, but we will respond to this information as we think appropriate.

ITEM 15: OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

You must participate personally in the operation of your Franchise to the extent described in this section. We encourage you to recruit group chairs and a regional administrator. At least one owner of your Franchise is required to spend adequate time each week working on behalf of and/or at the Trustegity®

Business to ensure that it complies with all of our requirements for operations. These duties are what we call the “Oversight Responsibilities.”

In addition, you (or your principal if you are a partnership, corporation, or limited liability company) are personally required to maintain or verify all accounting records, submit all weekly and/or monthly reports and balance sheets and income statements required under your Franchise Agreement, and submit to us copies of your annual federal, state and city income tax returns to the extent that they relate to the operation of your Franchise. The foregoing duties shall be referred to as “Accounting Responsibilities.”

If you operate more than one franchise, you (or your principal) must spend the required time on Oversight Responsibilities and Accounting Responsibilities at each Trustegritty® Business. In addition, you must ensure that a person to whom you have delegated management authority and responsibility is regularly visiting groups and actually supervising your operations. There are no limits on whom the franchisee may hire as a supervisor. If Franchisee is a business entity, it is not required that the supervisor have any equity in the Franchisee. Each Franchisee will be trained on how to train Trustegritty® Business Group Chair persons who will lead groups. Each Trustegritty® Business Group Chair person must successfully complete the Trustegritty® Business Chair Training in Trustegritty® Academy initial training program or training provided locally by the Franchisee who has successfully completed Trustegritty® Academy initial training program. You must be aware that a substantial amount of time and attention is required in order to operate a franchise properly. Your failure to devote sufficient time and effort in performing your duties is a breach of your Franchise Agreement and will likely lead to the failure of your business and the termination of the Franchise Agreement.

You may divulge information designated by us as confidential only to those personnel who must have access to it in order to operate your Franchise. You must require each of your Managers and all other personnel having access to confidential information to execute an agreement that they will maintain the confidentiality of information they receive in connection with their employment at your Trustegritty® Business and that they will abide by certain requirements regarding non-competition and non-solicitation. You, your partners, shareholders or members (if you are a partnership, corporation or limited liability company) and each of your Managers must agree to and sign covenants not to compete, not to disclose confidential and/or proprietary information, and not to solicit our employees or the employees of other franchisees, which are described in Item 17 below and in the sample franchise agreement attached to this Disclosure Document. Additionally, each partner, shareholder or member must personally guarantee full payment and performance of all duties and obligations of the franchisee under the terms of the Franchise Agreement and any other agreement with us, by signing our personal guarantee, attached to the [Sample Franchise Agreement](#) as [Exhibit E Attachment 5](#).

ITEM 16: RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

In order that we may maintain the quality and consistency of our products and services and protect the value of our brand, you must offer for sale all of the goods and services that we specify in the Operations Manuals and only those goods and services. We may update the list of approved goods and services from time to time, though not more than annually. You are not allowed to offer any goods or services which we have not specifically approved, and you must cease offering any goods or services which become unapproved or unauthorized. If you violate this policy we can terminate your Franchise Agreement. You are prohibited from using the premises of the Trustegritty® Business for any purpose other than the operation of your Franchise without our prior, written approval. You are not limited in the customers to whom you may offer your products and services.

From time to time, in our sole discretion, we may change the list of authorized goods and services that you may purchase and sell by adding to or reducing the list. We will provide you with reasonable notice of any changes. From time to time, you may be required to sell or offer for sale certain of our Promotional Items. You are required to provide all of the services authorized by us.

Except in relation to the Trustegritty® Business, neither you nor your partners, shareholders or members (if you are a partnership, corporation or limited liability company) may provide any services that, in our sole and absolute discretion, may present a conflict of interest with any Trustegritty® franchise or franchisee.

ITEM 17: RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION
THE FRANCHISE RELATIONSHIP

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

Provision	Section in Franchise Agreement	Summary
a. Length of the Franchise Term	Section 2	The initial term of the Franchise Agreement is for 8 years
b. Renewal or extension of the term	Section 2	If you are in good standing, you can renew consecutively for additional 8-year terms under the form of agreement then being offered, unless we are no longer offering new or additional franchises, which we will inform you of in writing.
c. Requirements for franchisee to renew or extend	Section 2	Written notice not less than 9 months nor greater than 12 months prior to end of initial term; substantial compliance with Franchise Agreement and no default; satisfaction of all monetary obligations; release of claims against us; pay Renewal Fee; sign then-current franchise agreement, which may have materially different terms and conditions than your original contract; and improve/modernize Trustegritty® Business to reflect then-current standards.
d. Termination by franchisee	Section 15	You can terminate if we materially breach the Franchise Agreement and do not cure following 60 days written notice, which termination is effective 90 days after our receipt of written notice.
e. Termination by franchisor without cause	Not Applicable	Not Applicable
f. Termination by franchisor with cause	Section 15	Franchisor may terminate with cause. Certain instances (15.2) give rise to a 30 day period to cure the default, other instances (15.1) give rise to immediate termination upon written notice to franchisee.
g. "Cause" defined – curable defaults	Section 15.2	30 day cure period – specific examples are outlined in 15.2.1 – 15.2.9
h. "Cause" defined – non-curable defaults	Section 15.1	Specific examples outlined in 15.1.1 – 15.1.8

Provision	Section in Franchise Agreement	Summary
i. Franchisee's obligation on termination/non-renewal	Section 16.1	Remit outstanding client payments to franchisor; continue remittance of all revenues; return all Confidential Information; turn over a copy of all franchise records; ship branded office supplies to franchisor; and cancel all assumed names or equivalent registrations; disclose all continuing financial obligations; cease doing business under franchisor's marks; appoint franchisor attorney in fact.
j. Assignment of contract by franchisor	Section 14	No restriction on our right to assign
k. "Transfer" by franchisee - defined	Section 14	You cannot transfer, except as part of a sale of your franchise.
l. Franchisor approval of transfer by franchisee	Section 14	We have the right to approve all transfers in writing and will not unreasonably withhold approval.
m. Conditions for franchisor approval of transfer	Section 14	We have the right of first refusal; you must pay an assignment fee; and new franchisee must sign franchise agreement.
n. Franchisor's right of first refusal to acquire franchisee's business	Section 14.5	We can match any purchase of franchise.
o. Franchisor's option to purchase franchisee's business	Section 14.5	We have right of first refusal.
p. Death or disability of franchisee	Section 14.6 and 14.7	Upon death, the agreement becomes an asset and is left to your immediate family pursuant to your state's laws governing testate or intestate succession, without our right of first of refusal
q. Non-competition covenants during the term of the franchise	Section 17	Non-compete clause within the territory, you cannot hold interest in any business in direct competition with a business similar to Trustegrity®
r. Non-competition covenants after the franchise terminates or expires	Section 17	12 month non-compete clause for competing near any Trustegrity® business. Franchisee and its owners shall not operate a Competing Business within the Territory or five miles of any Trustegrity® Business's Territory within Franchisee's state for two years after the termination or expiration of the Franchise Agreement.

s. Modification of the agreement	Section 21	No modification unless executed in writing by both parties.
t. Integration/merger clause	Section 21	Only terms of the franchise agreement are binding (subject to state law). Any other promises are not enforceable. Nothing in this or any related agreement is intended to disclaim the representations we made in the latest franchise disclosure document furnished to you.
u. Dispute resolution by arbitration or mediation	Section 19	Arbitration.
v. Choice of Forum	Sections 19	Arbitration in Atlanta, Georgia. Legal action in the Superior Court of Fulton County, Georgia, or US District Court for North Georgia, Atlanta Division, except by state law.
w. Choice of law	Section 21.8	Georgia law applies, except by state law

ITEM 18: PUBLIC FIGURES

At this time, we do not use any public figures to promote our franchise although we may do so in the future.

ITEM 19: FINANCIAL PERFORMANCE REPRESENTATIONS

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

We do not make any representations about a franchisee’s future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor’s office by contacting David Alexander, Trustegrity® Global, Connect, Confide and Collaborate, LLC, 4778 Ellington Court, Marietta, GA 30067; telephone: (800)-878-1976, the Federal Trade Commission, and the appropriate state regulatory agencies.

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ITEM 20: OUTLETS AND FRANCHISEE INFORMATION¹³

**Item 20 Table No. 1
Systemwide Outlet Summary
For Years ~~2020~~2021 to ~~2023~~2022**

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2021 2020	<u>15</u>	<u>56</u>	<u>+41</u>
	2021 2022	<u>56</u>	<u>610</u>	<u>+14</u>
	2022 2023	<u>610</u>	<u>1014</u>	<u>+4</u>
Company-Owned	2021 2020	<u>1817</u>	<u>1913</u>	<u>+14</u>
	2022 2021	<u>1913</u>	<u>1312</u>	<u>-61</u>
	2022 2023	<u>1312</u>	<u>1211</u>	<u>-1</u>
Total Outlets	2021 2020	<u>1922</u>	<u>2419</u>	<u>+53</u>
	2022 2021	<u>2419</u>	<u>1922</u>	<u>-53</u>
	2022 2023	<u>1922</u>	<u>2225</u>	<u>+3</u>

**Item 20 Table No. 2:
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For years ~~2020~~2021 to ~~2023~~2022**

State	Year	Number of Transfers
Georgia Utah	2021 2020	<u>10</u>
	2022 2021	<u>01</u>
	2022 2023	<u>0</u>
Total	2021 2020	<u>10</u>
	2021 2022	<u>01</u>
	2022 2023	<u>0</u>

**Item 20 Table No. 3:
Status of Franchised Outlets
For years ~~2020~~2021 to ~~2022~~2023**

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of the Year
Georgia	2020 2021	<u>01</u>	<u>10</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>

¹³ All numbers are as of December 31 of each year.

	2022 2021	1	<u>0</u> 3	0	0	0	0	<u>14</u>
	2022 2023	<u>14</u>	<u>31</u>	0	0	0	0	<u>45</u>
North Carolina	2020 2021	0	<u>10</u>	0	0	0	0	<u>10</u>
	2022	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	2023	<u>0</u>	<u>3</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>
Tennessee	2021	1	1	0	0	0	0	2
	2022	2	0	0	0	0	0	2
Utah	2020 2023	<u>12</u>	<u>20</u>	0	0	0	0	<u>32</u>
Utah	2021	3	0	0	0	0	0	3
	2022	3	1	0	0	0	0	4
Total	2020 2023	<u>14</u>	<u>40</u>	0	0	0	0	<u>54</u>
Total	2021	5	1	0	0	0	0	6
	2022	6	4	0	0	0	0	10
	2023	<u>10</u>	<u>4</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>14</u>

**Item 20 Table No. 4:
Status of a Company-Owned Outlets
For years ~~2020~~2021 to ~~2022~~2023**

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at the End of the Year
Arizona	2020 2021	<u>53</u>	0	0	<u>21</u>	0	<u>32</u>
	2022 2021	<u>32</u>	<u>0</u> 1	0	<u>10</u>	0	<u>23</u>
	2022 2023	<u>23</u>	<u>—</u> 1 <u>—</u> 0	0	<u>0</u> 2	0	<u>31</u>
California	2020 2021	<u>68</u>	<u>30</u>	0	1	0	<u>87</u>
	2021	8	9	0	1	0	7
	2022	7	0	0	2	0	5
Nevada	2020 2023	<u>45</u>	1	0	<u>21</u>	0	<u>35</u>
Illinois	2021	<u>30</u>	0	0	<u>10</u>	0	<u>20</u>
	2022	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	2023	<u>0</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
Kentucky	2021	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

	<u>2022</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>2023</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
<u>Nevada</u>	<u>2021</u>	<u>3</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>2</u>
	2022	2	0	0	0	0	2
New York	2020 <u>2023</u>	32 <u>32</u>	10 <u>10</u>	0	21 <u>21</u>	0	21 <u>21</u>
<u>New York</u>	2021	2	0	0	1	0	1
	2022	1	0	0	0	0	1
Nebraska	2020 <u>2023</u>	01 <u>01</u>	10 <u>10</u>	0	01 <u>01</u>	0	10 <u>10</u>
<u>Nebraska</u>	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
<u>Utah</u>	<u>2020</u> <u>2023</u>	<u>01</u>	<u>30</u>	0	0	<u>30</u>	<u>01</u>
<u>North Carolina</u>	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
<u>Total</u>	<u>2020</u> <u>2023</u>	<u>180</u>	<u>123</u>	0	<u>70</u>	<u>43</u>	<u>190</u>
<u>Total</u>	2021	<u>19</u> <u>17</u>	0	0	<u>64</u>	0	<u>13</u>
	2022	13	1	0	2	0	12
	<u>2023</u>	<u>12</u>	<u>7</u>	<u>0</u>	<u>5</u>	<u>3</u>	<u>11</u>

Item 20 Table No. 5:

Projected Openings as of December 31, ~~2022~~2023

State	Franchise Agreement Signed, but Outlet Not Opened	Projected New Franchised Outlet in the Next Fiscal Year	Projected New Company-Owned ¹⁴ Outlet in the Next Fiscal Year
California	0	<u>01</u>	<u>01</u>
Connecticut	0	<u>12</u>	<u>02</u>
<u>Georgia</u>	<u>0</u>	<u>3</u>	<u>0</u>
Florida	0	1	0
<u>Georgia</u>	<u>0</u>	<u>1</u>	<u>1</u>
<u>Illinois</u>	<u>0</u>	<u>1</u>	<u>1</u>
<u>Kentucky</u>	<u>0</u>	<u>0</u>	<u>1</u>
<u>Minnesota</u>	<u>0</u>	<u>0</u>	<u>1</u>
<u>Montana</u>	<u>0</u>	<u>1</u>	<u>0</u>

¹⁴ Company-Owned and/or Affiliate-Owned.

Nebraska	0	10	01
New Jersey	0	0	1
New York	0	0	1
North Carolina	0	0	1
South Carolina	0	0	1
Tennessee	0	1	0
Utah	0	1	0
Total	0	87	312

The names of all franchisees and the addresses and telephone numbers of their outlets are listed as **Exhibit E** to this Disclosure Document. A list of the name and last known home address and telephone number of every franchisee who has had their franchise agreement terminated, cancelled, not renewed or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement for the most recently completed fiscal year or who has not communicated with us within ten (10) weeks of the date of issuance of this document is attached hereto as **Exhibit E**.

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

There are no trademark-specific franchisee organizations associated with the franchise system being offered in this FDD.

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

ITEM 21 FINANCIAL STATEMENTS

Attached as Exhibit C ~~are~~ our unaudited balance sheet dated May 31, 2024, our unaudited profit and loss statement for the period from January 1, ~~2023~~2024 to May 31, ~~2023~~, ~~our unaudited balance sheet as of May 31, 2023~~2024, and our audited financial statements from the periods ended December 31, ~~2022~~2023, December 31, ~~2022~~2021, and December 31, ~~2020~~2021. Our fiscal year ends on December 31.

ITEM 22: CONTRACTS

The Franchise Agreement is attached as **Exhibit B** to this Disclosure Document along with all exhibits to the Franchise Agreement.

ITEM 23: RECEIPTS

Exhibit H contains detachable documents acknowledging your receipt of this Disclosure Document.

FRANCHISE DISCLOSURE DOCUMENT

TRUSTEGRITY®

EXHIBIT A

LIST OF ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

We may register this Disclosure Document in some or all of the following states in accordance with the applicable state law. If and when we pursue franchise registration, or otherwise comply with the franchise investment laws, in these states, the following are the state administrators responsible for the review, registration, and oversight of franchises in each state and the state offices or officials that we will designate as our agents for service of process in those states:

State	State Administrator	Agent for Service of Process (if different from State Administrator)
California	Commissioner of Financial Protection and Innovation Department of Financial Protection and Innovation 2101 Arena Boulevard Sacramento, CA 95834 866-275-2677	
Hawaii	Department of Commerce and Consumer Affairs Business Registration Division Commissioner of Securities P.O. Box 40 Honolulu, HI 96810 (808) 586-2722	Commissioner of Securities Department of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, HI 96813
Illinois	Franchise Bureau Office of Attorney General 500 South Second Street Springfield, IL 62706 (217) 782-4465	
Indiana	Franchise Section Indiana Securities Division Secretary of State Room E-111 302 W. Washington Street Indianapolis, IN 46204 (317) 232-6681	
Maryland	Office of the Attorney General Division of Securities 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360	Maryland Commissioner of Securities 200 St. Paul Place Baltimore, MD 21202-2020

State	State Administrator	Agent for Service of Process (if different from State Administrator)
Michigan	Michigan Attorney General's Office Consumer Protection Division Attn: Franchise Section 525 W. Ottawa Street Williams Building, 1st Floor Lansing, MI 48933 (517) 373-7117	
Minnesota	Minnesota Department of Commerce Securities-Franchise Registration 85 7 th Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1500	Commissioner of Commerce Minnesota Department of Commerce 85 7 th Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1500
New York	NYS Department of Law Investor Protection Bureau 28 Liberty St., 21 st Floor New York, NY 10005 (212) 416-8222	Secretary of State 99 Washington Avenue Albany, NY 12231
North Dakota	North Dakota Securities Department 600 East Boulevard Ave., State Capital Fifth Floor, Dept. 414 Bismarck, ND 58505-0510 (701) 328-4712	Securities Commissioner North Dakota Securities Department 600 East Boulevard Avenue State Capitol, Fifth Floor Dept. 414 Bismarck, ND 58505-0510 (701) 328-4712
Rhode Island	Department of Business Regulation Securities Division 1511 Pontiac Avenue John O. Pastore Complex-69-1 Cranston, RI 02920-4407 (401) 462-9527	
South Dakota	Division of Insurance Securities Regulation 124 South Euclid Suite 104 Pierre, SD 57501-3185 (605) 773-3563	Director of the Division of Insurance 124 South Euclid Suite 104 Pierre, SD 57501-3185 (605) 773-3563
Virginia	State Corporation Commission 1300 East Main Street 9th Floor Richmond, VA 23219 (804) 371-9051	Clerk of the State Corporation Commission 1300 East Main Street, 1st Floor Richmond, VA 23219
Washington	Department of Financial Institutions Securities Division PO Box 9033-41200 Olympia, WA 9850798504-1200 (360) 902-8760	Department of Financial Institutions Securities Division 150 Israel Rd SW Tumwater, WA 98501 (360) 902-8760

State	State Administrator	Agent for Service of Process (if different from State Administrator)
Wisconsin	Division of Securities Department of Financial Institutions Post Office Box 1768 Madison, WI 53701 (608) 266-2801	Securities And Franchise Registration Wisconsin Securities Commission 201 West Washington Avenue, Suite 300 Madison, WI 53703

Service of Process in Georgia and Florida

Georgia

Connect, Confide, and Collaborate LLC may be served in Georgia via its Registered Agent David Alexander. The registered office address is 4778 Ellington Court, Marietta, GA 30067.

Florida

Connect, Confide, and Collaborate LLC may be served in Georgia via its Registered Agent Incorp Services, Inc. The registered office address is 17888 67th Court North Loxahatchee, FL 33470.

FRANCHISE DISCLOSURE DOCUMENT

TRUSTEGRITY®

EXHIBIT B

FRANCHISE AGREEMENT

Trustegrity® Franchise Agreement

Franchisee Name: _____

Territory: _____

Franchise Term: _____



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Attachment 1 — Definitions

Attachment 2 — Franchise Territory, Description & Map; and Franchisee Owners

Attachment 3 — Initial Fees, Discounts, Other Payments, and Principal's Ownership

Attachment 4 — Confidentiality and Non-competition Agreement

Attachment 5 — Development Schedule

TRUSTEGRITY® GLOBAL
FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (the “Agreement”) is made and entered into on the date on the signature page (the “Effective Date”), by and between Connect, Confide, and Collaborate LLC d/b/a Trustegrity® Global, a Georgia limited liability company (“Franchisor” or “TG”), and the individual(s) or entity named on the signature page (“Franchisee”)

BACKGROUND

Trustegrity® began in 2012 and has rapidly expanded throughout the United States. We were founded on the idea that if businesspeople have the right connections, strategic advice and opportunities to share knowledge they can truly take their business to the next level of success. Trustegrity gives businesspeople the power to grow. A Trustegrity® franchise offers networking, knowledge sharing and peer advisory services through a group setting under the tradename Trustegrity® under a uniform business format and using specifically designed procedures, methods and designs collectively known as the “System.” The Trustegrity® System is a proprietary business system that involves providing business professionals a better way to connect, confide and collaborate. Trustegrity® Business meetings provide the opportunity for members to share connections and knowledge. Meetings include an interactive roundtable discussion and opportunities for members to be peer advisors for each other.

RECITALS

A. TG is the owner of certain rights and interests in and to the “TRUSTEGRITY®” name and such other trademarks, trade names, service marks, logos, insignia, trade dress, and designs now existing and which may be designated for use in the future (the “Marks”).

B. TG grants qualified persons the right to open, own, and operate franchised businesses offering the Services and using the Systems and Marks within a designated territory (each, a “TG Business”).

C. Franchisee desires to own and operate a Franchise and provide Franchisee Services under the Marks and the Systems in an identified geographic area under the terms and conditions of this Agreement.

D. Franchisee and TG mutually acknowledge our shared commitment to promote the Marks and enhance customer goodwill toward the network of TG Businesses operating under the Marks and System, by strengthening and growing the network of TG Businesses operating under the Marks and System and dedicated to promoting and maintaining the success of each and every Member and Customer we serve to live a lifestyle of high achievement (the “Common Mission”). TG and Franchisee each acknowledge that the success of this Common Mission is dependent on TG and our franchisees working together in a spirit of mutual respect and cooperation. In furtherance of the Common Mission, the provisions of this Agreement are premised on the following guiding principles (the “Guiding Principles”): Franchisee should respect TG’s ownership of the System, including the Marks, trade secrets, Confidential Information, and the associated goodwill, and TG’s rights to determine the nature and quality of the products and services sold under the Marks, to control the manner in which the Marks are used and to enforce System standards. TG should respect Franchisee’s ownership interest in the going concern value of the Franchise, the investment in the Franchise made by Franchisee, and the Franchisee’s interest in a long-term durable relationship.

AGREEMENT

NOW THEREFORE, in consideration of the promises and the commitments in this Agreement, and for other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged,

the parties agree as follows:

1. GRANT; TERRITORY

1.1 *GRANT OF FRANCHISE.* TG grants Franchisee the right to own and operate a Franchise (the “Franchise”), using the Marks and the System, under the terms and conditions in this Agreement. Franchisee accepts and undertakes the obligation, under the terms and conditions in this Agreement: (1) to establish and operate the Franchise under the Business Model selected within the Territory, as identified on Attachment 2 (“Territory”), and (2) to use the Marks (as TG may update and/or replace them from time to time) and System.

1.2 *TERRITORY.* During the term of this Agreement, except as otherwise provided for in this Agreement, TG agrees that it will not establish a TG-owned business, or license any other person, other than Franchisee or Franchisee’s Principals, to establish and operate another Franchise authorized to provide Franchisee Services within Franchisee’s Territory (with the exception of those nonexclusive rights outlined in Section 1.3 below). The Territory’s name (the “Territory Name”) is designated in Attachment 2 and cannot be changed without TG’s prior written consent. The Territory Name will be agreed upon at signing of the Franchise Agreement and will be used for all subsequent purposes.

1.3 *RESERVATION OF RIGHTS.* Except as specified in Section 1.2 hereof, the license of the Marks and System granted to Franchisee hereunder is nonexclusive and TG retains the right, among others:

1.3.1 to use the Marks and System itself in connection with selling products and Services, provided that such use is not competitive with the Franchisee Services;

1.3.2 to sell, and allow other Trustegritty® franchisees or company-owned offices to sell, Nexpert Coaching services in the Territory;

1.3.3 to allow other Trustegritty® franchisees or company-owned offices to market Trustegritty® and recruit Trustegritty® Business membership for both virtual and physical Trustegritty® Business in the Territory;

1.3.4 to grant consent to another franchisee or company-owned office to provide other types of services, including, but not limited to operating a High Achievers franchise, which are not the same as the Franchisee Services, within or outside the Territory;

1.3.5 to operate and/or license others to operate franchised or company-owned offices outside of Franchisee’s Territory;

1.3.6 to develop and establish other lines of businesses, products, and services which may or may not be a part of the System, which may or may not use the Trustegritty® marks, , or any other proprietary marks, and to grant franchises thereto.

1.3.7 to sell membership to Trustegritty® virtual groups;

1.3.8 to allow any Trustegritty® Business that is established in a different territory to move its meeting location into Franchisee’s Territory and remain a Trustegritty® Business of the original Franchisee.

1.4 *PROVISIONS OF FRANCHISEE SERVICES IN TERRITORY.* Franchisor and Franchisee agree that:

1.4.1 Franchisee shall facilitate Trustegritty® Business meetings solely within the Territory. The host location has to fall within the territory in addition Franchisees may also facilitate up to three virtual Trustegritty® Business as long as the Chair resides within the franchisee’s Territory.

1.4.1.1 Notwithstanding the foregoing, Franchisee may have up to two (2) of its existing Trustegritty® Business move its meeting location outside of Territory and remain a Trustegritty® Business of Franchisee. Any additional Trustegritty® Business of Franchisee requesting to move its meetings outside of the Territory shall be up to the sole discretion of Franchisor.

1.4.2 TG reserves the right, in connection with the assignment or reassignment of any Member to:

1.4.2.1 Assign or reassign any Member who requests to be reassigned to another franchisee or a company-owned office for good cause (other than pricing or Business Model); or

1.4.2.2 Consent to another franchisee or company-owned office to facilitate the provision of Services to a Member whose principal business residence is in the Territory for good cause (other than pricing or Business Model), unless there is at least a three-month gap in service (in which event the Customer shall revert and be serviced by the franchisee or company-owned office in which the Customer resides).

1.4.3 In the event Franchisee is unable to supply either through their staff or an appropriate Group Chair for a Member whose principal business residence is within the Territory, Franchisee agrees to refer for coverage, in a timely manner, the Member to the franchise or company-owned office nearest the Member's principal residence or business location or allow customer to participate in our online mastermind program. (It is understood that similar referrals may be made to Franchisee from other franchised or company-owned offices for similar reasons.)

1.4.4 Franchisee acknowledges that:

1.4.4.1 territories shall be assigned by TG in its discretion (and without liability or any assurances as a result thereof); and

1.4.4.2 territory coverage may also be affected by licensure or regulatory body rules.

1.5 *REGIONAL/NATIONAL CONTRACTS.* TG, although under no obligation to do so, may negotiate and enter into national or regional contracts with companies (the "Regional/National Contracts") that afford all TG offices, among other things, an expanded referral network and Client base, provide for business coaching and consulting services, or allow for the provision of products or services not specifically contemplated at this time. Franchisee must refer all prospective Regional/National Contract opportunities to TG. Franchisee expressly authorizes TG to enter into Regional/National Contracts and agrees to be bound by the terms of such contracts. Franchisee must service any Regional/National Contract Customers in the Territory in accordance with the procedures set forth in the TG operations manual (the "Operations Manual") or in periodic memoranda provided by TG. In the event that Franchisee is in default of his or her obligations under this Franchise Agreement, or is otherwise unable or unwilling to comply with any of the terms of a Regional/National Contract, TG shall have the right, in its Reasonable Discretion, to contract with another TG Business or company-owned office operating under the Marks and System to provide such Services to the Regional/National Contract Client within the Territory on the terms and conditions contained in the Regional/National Contract. To the extent TG has Regional/National Contracts, TG will provide incentive programs from time to time to reward franchisees for referring prospective Regional/National Contracts. TG will use its best efforts to assist franchisees that refer prospective Regional/National Contracts.

1.6 *CHANGES TO THE SYSTEM.* Franchisor has the right to supplement, improve, or otherwise modify the Marks, Operations Manual and/or System from time to time in its Reasonable Discretion with Consultation, and Franchisee must comply with all changes. Should a proposed change to

the System involve a change to the Franchisee's Business Model based on state law, the parties hereto may agree on such Business Model change. If the parties hereto disagree as to the necessity of such a change in Business Model under state law, the parties will obtain, at their own expense, legal opinions that support their position and then promptly meet in person to resolve any differing opinions about the necessity of such a change in Business Model. If the parties still cannot agree on Business Model after such meeting, either of the parties may submit to the dispute resolution process described in Section 19 of this Agreement.

2. TERM & RENEWALS

2.1 *INITIAL TERM.* The term of this Agreement is for a period of eight (8) years from the Effective Date.

2.2 *RENEWAL TERMS.* Franchisee may renew its Franchise for consecutive eight (8) year renewal terms, if in compliance with the following conditions in this Section 2.2. The fee associated with renewing the Franchise Agreement for a renewal term following the initial term shall be whichever is the *greater* of eight thousand dollars (\$8,000.00) or half of the then-current Initial Franchise Fee. The fee associated with any subsequent renewal shall be as set forth in the agreement in place at such time as renewal occurs. To be eligible to renew its Franchise, Franchisee must:

2.2.1 Provide TG with written notice of its intent to renew the Franchise within one hundred twenty (120) calendar days of receipt of notice of Expiration of the franchise term. TG shall tender a renewal agreement to Franchisee prior to the Expiration date of this Agreement. Following tender of a renewal agreement, and applicable federal or state mandated disclosure documents, Franchisee shall have thirty (30) days, or such reasonable extensions while negotiations are ongoing and in good faith, to review and negotiate acceptable renewal terms;

2.2.2 Provided that TG is still in active operation and has not transferred entity pursuant to Section 14.1 hereof or has ceased operation for any other reason;

2.2.3 Not be in default under this Agreement or any other agreement with TG or its affiliates or vendors;

2.2.4 Have established and maintained a reputation for quality of Services which meets the existing standards of TG as outlined in the Manual (which are defined in Section 3.2 hereof) and in keeping with the Common Mission as described in the Recitals;

2.2.4 Have successfully and routinely passed periodic Quality Reviews by TG for adherence to all material requirements of the Manual, Franchise Agreement, and all applicable regulations;

2.2.5 Complete any new training requirements not yet completed;

2.2.6 At Franchisee's reasonable expense and if necessary, in TG's sole opinion, bring the Franchise up to TG's then-current reasonable standards for a Franchise, including installation or upgrade of computer hardware and software; and

2.2.7 Execute a then-current form of franchise agreement and all other agreements and documents then customarily used by TG in the granting or renewal of Franchises, provided the terms of which may not materially affect the rights and protections in this Agreement. Franchisee acknowledges that Franchisor may include annual revenue requirements as part of any then-current form of franchise agreement.

2.3 *NON-RENEWAL.*

2.3.1 Franchisee's failure or refusal to provide notice of intent to renew or to execute TG's renewal agreements as provided in Section 2.2.1 above shall be deemed an election by Franchisee to

not renew the Franchise;

2.3.2 If Franchisee does not satisfy all of the provisions of Section 2.2 above, TG may elect not to renew. In such event, TG shall provide written notice thereof to Franchisee; and

2.3.3 In the event of any non-renewal of this Agreement on the terms described in this Section 2 for any reason, Franchisee shall, by the Expiration date of this Agreement, as it may be extended by this Agreement, or the agreement of the Parties, cease operating the Franchise and comply with Section 16 hereof or have Transferred the Franchise as provided in Section 14 hereof.

3. TG'S FRANCHISOR DUTIES

3.1 *TRAINING.* TG will provide to Franchisee up to five (5) days of initial training at TG's corporate headquarters or other location designated by TG, which may be done in virtual format, or combination of virtual and in-person format, which Franchisee must complete within six (6) months of becoming a Franchisee and before beginning Franchise operations. TG will also provide training for Franchisee's employed manager administrative teams who are required to have training in accordance with Section 6.4.

3.2 *MANUAL.* TG will loan Franchisee a copy of TG's Operations Manual and any other manual (collectively, the "Manual"), and will provide Franchisee with updates to the Manual from time to time.

3.3 *ASSISTANCE.* TG will provide Franchisee with such assistance as TG deems necessary for Franchisee to comply with applicable state and/or local licensing requirements.

3.4 *LOCAL LIFT-OFF PROGRAM.* TG will deliver the local lift-off program ("Local Lift-off Program") upon receipt of payment and Franchisee's satisfactory completion of the initial Trustegrity® Academy® training. The local lift off program will consist of six months of marketing support. Franchisee can subscribe to our ongoing marketing support program after the local lift off program concludes.

3.5 *FORMS AND MATERIALS.* TG will have branded business forms, brochures, business cards, member on boarding kits and descriptive and or promotional literature and operational forms available for Franchisee's purchase at Franchisee's sole expense. All such materials will be provided by TG at a reasonable cost, and Franchisee shall be responsible for all shipping and handling costs.

3.6 *GENERAL MARKETING FUND.* TG will market the System through the General Marketing Fund as described in Section 12 hereof. TG may conduct advertising/marketing in any format it deems appropriate, including for instance, but not limited to, national print, television, and/or electronic media. TG may make advertising and promotional materials available to Franchisee that are developed internally, by an outside advertising professional, and/or franchisees.

3.7 *TG ADVICE.* TG will designate one or more persons who will be available at reasonable times to render advice to and consult with Franchisee, upon reasonable and timely request, as to Client relationships, sales and marketing, and the conduct of Franchisee's business.

3.8 *FRANCHISE OPERATIONS REVIEW.* TG will monitor and review franchise operations in order to determine compliance with the Manual and this Agreement.

3.9 *PUBLIC RELATIONS.* TG will monitor and assist in Franchisee's maintenance of positive public relations with its clientele including, but not limited to, members, Customers, referral sources, and the Trustegrity® Business Chairs that Franchisee may refer.

3.10 *MEETINGS.* TG will provide annual meetings and/or conferences among franchisees and other teleconferences, additional training, and refresher training for franchisees. If TG hosts an annual

conference, Franchisee must attend TG's annual conference and pay the then-current annual conference fee to TG. If Franchisee does not attend the annual conference, Franchisee shall pay TG a non-attendance fee equal to 1.5x the then-current annual conference fee upon demand by TG. If Franchisee does not attend a required meeting, training, or other such event that TG may require from time to time that does not require a registration fee, Franchisee shall pay to TG a non-attendance fee of five hundred dollars (\$500) upon demand by TG.

3.11 *BRAND STANDARDS.* TG will issue Brand Standards for any products or supplies that display the Marks as TG determines in its Reasonable Discretion. Such Brand Standards will not dictate which vendor is to be used, so long as the standards are met.

3.12 *LEGAL DEVELOPMENTS.* TG will use best efforts to remain current on legal and other developments in the industry in which the Services are offered, and promptly advise Franchisee of any changes that may affect the Franchise or such business.

3.13 *CLIENT SATISFACTION SURVEYS.* Where required by state law as described in the State Compliance Manual, TG, itself or through its designated vendor, may periodically assist Franchisee to maintain high quality standards through Client and Customer satisfaction surveys, reviews, interviews, and other similar initiatives.

3.14 *ADDITIONAL TRAINING.* TG may require Franchisee to attend additional training in its sole discretion from time to time. If TG requires Franchisee to attend additional training or if Franchisee requests such additional training, Franchisee shall pay the additional training fee in effect at the time of such additional training, which is currently five hundred dollars (\$500) per day. If TG conducts additional training at Franchisee's Trustegritty® Business, Franchisee shall pay the costs and expenses incurred by TG, not to exceed \$2,000 per calendar quarter. In any calendar quarter, if TG conducts additional training at its corporate headquarters, Franchisee must also pay for all associated travel and living expenses for Franchisee and its employees and representatives, including meals. The additional training fees described herein are non-refundable.

3.15 *OPERATING ASSISTANCE.* If Franchisee requests assistance with operating its Trustegritty® Business or if TG determines in its sole discretion that Franchisee needs assistance with operating its Trustegritty® Business, TG may step-in and assist with the daily operation of the business, and Franchisee shall pay the operating assistance fee in effect at the time of such operating assistance, which shall not exceed five hundred dollars (\$500) per day or two thousand dollars (\$2,000.00) per quarter, not including the costs and expenses incurred by TG for travel, lodging, meals, and other related expenses for its representative(s) to provide operating assistance. The operating assistance fees described herein are non-refundable.

4. FEES

4.1 Franchisee agrees to pay TG the initial franchise fee identified on *INITIAL FRANCHISE FEE Attachment 3* (the "Initial Franchise Fee"). The Initial Franchise Fee must be paid on Franchisee's execution of this Agreement. The Initial Franchise Fee is non-refundable in consideration of TG's sales, training, administrative and other expenses in granting the Franchise, preparing to operate the franchise business, and for TG foregoing the opportunity to offer the Franchise to others; provided, however, that TG will refund all fees received and all of the Initial Franchise Fee less actual out of pocket expenses incurred, if TG determines, at any time through Franchisee's Trustegritty® Academy training, that Franchisee is not suitable for the franchised business.

4.2 *LOCAL LIFT-OFF PROGRAM.* Franchisee agrees to pay TG the local lift-off program fee in the amount of \$3,000.00 (the "Local Lift-Off Program Fee") on Franchisee's execution of this Agreement. The Local Lift-Off Program Fee is fully earned upon payment and not refundable, except TG will refund all

fees and all of the Local Lift-Off Program Fee less actual out of pocket expenses incurred, if TG determines, at any time through Franchisee's Trustegrity® Academy training, that Franchisee is not suitable for the franchised business.

4.2.1 *VETERAN'S DISCOUNT PROGRAM.* TG offers a program for qualified veterans of the United States who have been honorably discharged shall receive a discount of three thousand dollars (\$3,000) off from the Trustegrity® Academy training fee when purchasing a franchise. TG retains the right in TG's sole discretion to modify or terminate this veteran discount program at any time with or without notice. The factors concerning our decision to modify or terminate the veteran discount program include the number of franchises that we sell, the number of veterans interested in purchasing a franchise and the quality of veteran applicants that TG receives.

4.3 *ROYALTY.* Franchisee agrees that:

4.3.1 In addition to the Initial Franchise Fee, in consideration of TG's granting Franchisee the right to operate the Franchise in the Territory, the right to use the intellectual property in the Territory and the ongoing services to be provided to Franchisee over the Term of the Agreement, Franchisee shall pay to TG a percentage of Franchisee's Gross Profit as "Royalties" (subject to adjustments with respect to the Nexpert Coaching program) as follows:

Twelve percent (12%) of Franchisee's Gross Profit. Franchisee shall pay such Royalties on a periodic basis in such manner as may be prescribed by Franchisor from time to time, which may include a process in which Franchisor drafts such Royalties from Franchisee's account. Franchisee acknowledges Franchisor may require payment on a weekly, bi-weekly, semi-monthly, monthly, or other basis. Franchisee further acknowledges that any Royalties paid by use of a credit card are subject to a processing fee equal to the greater of three percent (3%) or such actual amount of processing charges incurred by Franchisor.

For the purpose of this Agreement, "Gross Profit" shall be all revenue received by Franchisee (subject to separate provisions relating to the coaching program) that is not specifically collected at the direction of Franchisor for the purpose of paying service providers, which shall include but shall not be limited to items such as payments made to coaches and trainers.

Starting in the thirteenth (13th) month after the Opening Date (as defined in Section 5.2 below), the minimum amount of Royalties payable monthly to TG hereunder will be the greater of twelve percent (12%) of Franchisee's Gross Profit or two hundred fifty dollars (\$250) per month (the "Minimum Royalty Requirement"). Starting the 36th month after the Opening Date and continuing for the remainder of the term of this Agreement, the Minimum Royalty Requirement hereunder will be the greater of twelve percent (12%) of Franchisee's Gross Profit or five hundred dollars (\$500) per month. In the event a Franchisee or Franchisee's Principals is an existing franchisee renewing a prior Franchise Agreement, the Minimum Royalty Requirement hereunder shall become due and payable upon signing this Agreement and shall be the greater of twelve percent (12%) of Franchisee's Gross Profit or five hundred dollars (\$500). For purposes of compliance with the Minimum Royalty Requirement in this Section 4.3, Franchisee may aggregate the Royalties for all TG Businesses operated by Franchisee or its Principals in the Territory and any other territory for the trailing twelve-month period to determine if the monthly Minimum Royalty Requirement for each such business has been met;

4.3.2 In the event that a Royalty Payment based on the percentages set forth in Section 4.3.1 above do not meet the Minimum Royalty Requirement in any period, Franchisee is responsible for paying the Minimum Royalty requirement;

4.3.3 With respect to Nexpert Coaching services and consulting, Franchisee acknowledges and agrees that such services are optional and are to be provided at the direction of Franchisor.

Franchisee may help coordinate the scope of work, engagement contract and approval for Nexpert Coaching services with TG. For Nexpert Coaching, Executive Coaching, Corporate Training, National Accounts, and consulting services, Franchisee will have no fees due to TG, and TG will pay Franchisee twelve percent (12%) of TG's Gross Profit from the initial scope and initial term of such engagement. This amount remitted to Franchisee will not be included in Franchisee's Gross Profit. Franchisee may also be engaged to assist with the coaching or consulting and would be compensated for this engagement in addition to the payment described herein;

4.3.3.1 If a prospective franchisee has an existing coaching and/or consulting practice and discloses this prior to signing a franchise agreement, they will be approved to continue their offering as long as it does not compete with the Trustegrity® Business program in anyway. Franchisee may also use the option of upgrading those clients into the Nexpert coaching program of Franchisor and Franchisee will have no fees due to TG and TG will pay Franchisee a reverse Royalty at the twelve percent (12%) Royalty rate on the initial scope and term of the engagement from these "private" plans to also give the clients access to the Nexpert Coaching team.

4.3.3.2 If a Franchisee's Nexpert Coaching client transitions to a consulting services agreement with the assigned Nexpert Coach, the Franchisor will pay the Franchisee a reverse Royalty of twelve percent (12%) to the Franchisee for the initial scope of work and term of contract of the consulting project agreement. Any term of contract extension or subsequent contracts will not include any administrative fee for TG or the Franchisee;

4.3.4 If Franchisee purchases a second territory at the same time as Franchisee's first territory, Franchisee must commence payment of the Minimum Royalty Requirements by the 25th month from the Opening Date of this Agreement, and continuing for the duration of the term of this Agreement. If Franchisee purchases a third territory at the same time as Franchisee's first territory, Franchisee must commence payment of the Minimum Royalty Requirements by the 37th month after the Opening Date of this Agreement; and

4.3.5 Royalty Incentive Programs: TG may make available royalty incentive programs from time to time, and Franchisee will be entitled to participate in such programs. Such programs will be created in consultation with the franchisee representative group as defined in Section 18.2.

4.4 *Technology FEES.* The initial Software Fee and the continuing software fee due thereafter (the "Software Fee") are identified on Attachment 3 to this Agreement. Commencing in the 7th month, Franchisee shall pay TG or its designated vendor a monthly Software Fee currently in the amount of two hundred dollars (\$200.00) which shall increase by \$100.00 per month for each additional franchise unit The Software Fee and the designated software vendor shall be determined in TG's Reasonable Discretion.

4.5 *Interest.* If Franchisee fails to pay any fees when due to TG, Franchisee shall pay TG, in addition to the past-due amount(s), interest equal to the lesser of eighteen percent (18%) per annum or the maximum interest rate allowed by law, which interest accrue from the date the past-due amount was due.

4.6 *Initial Training Fee.* Franchisee shall pay TG its then-current fee for initial training (Trustegrity® Academy) prior to attending initial training, which fee is currently three thousand dollars (\$3,000.00).

5. OPENING OF FRANCHISED BUSINESS

5.1 *OPENING OBLIGATIONS.* Prior to the commencement of Franchise operations, Franchisee must:

5.1.1 Complete any necessary state and/or local licensing requirements, at Franchisee's cost. Unless Franchisee is a Trustegrity® Regional Connector previous to executing this agreement,

Franchisee may not attend Trustegritty® Academy® training until Franchisee has secured all licenses and permits necessary to operate the Franchise in the Territory;

5.1.2 Establish, operate, and maintain a location within its Territory, in a condition approved in advance by TG, location may be an approved home office;

5.1.3 Complete all obligations as set forth in the Manual;

5.1.4 Develop Franchisee's rates after conducting an independent market survey, which rates must fall within the defined ranges in the Trustegritty® Franchisee Membership Portal. Such schedule is without prejudice to Franchisee's right to negotiate pricing and to set prices for a particular Member or a particular class of members within the Franchisee's discretion;

5.1.5 Successfully complete the initial Trustegritty® Academy training required by TG for operation of the Franchise. Franchisee will be responsible for the lodging, travel, meals, and other expenses incurred in connection with the initial training;

5.1.6 In the event Franchisee must secure real estate, by purchase or lease, for the operation of the Franchise, Franchisee's lease shall include a provision that requires the lessor to concurrently provide TG with a copy of any written notice of default under the lease be sent to Franchisee and that grants to TG, in its Reasonable Discretion, the right (but not the obligation) to enter the premises to make modifications necessary, in TG's Reasonable Discretion, to protect the Marks or the System or to cure any default: (i) under the lease within fifteen (15) business days after the expiration of the period in which Franchisee had to cure any such default, should Franchisee fail to do so; or (ii) under this Agreement; and

5.1.7 Franchisee and Franchisee's landlord must execute TG's Collateral Assignment of Lease which grants TG the right, but not the obligation, upon (a) Franchisee's default on the lease, or (b) Termination, Transfer, or Expiration of this Agreement, (i) to assume the lease for the premises, and (ii) to lease or sublease such premises at fair market value if Franchisee or an affiliate of Franchisee owns the premises.

5.2 *OPENING DATE.* Franchisee acknowledges that time is of the essence in opening the Franchise. Franchisee shall use its best efforts to secure licensure and training, and to commence operation of its TG Franchise by no later than within ninety (90) days of completion of training. The "Opening Date" will be the date the Franchise commences business operations.

5.3 *Product Inventory.* Franchisee must purchase the inventory of products from TG as required by TG prior to the opening of Franchisee's TG Franchise; and on an ongoing basis as required by TG. Franchisee shall pay TG its then-current price for such product inventory.

6. FRANCHISEE'S DUTIES

6.1 *SERVICES TO MEMBERS.* Franchisee must identify, recruit, screen, and train suitable Trustegritty® Business Chairs that provide Services to Members. Franchisee may use a third-party background screening vendor to evaluate prospective Trustegritty® Business Chairs, so long as the vendor's screening procedures comply with applicable state and local requirements for the Territory. Franchisee must also provide consultation to members and/or Customers on an ongoing basis consistent with the Business Model approved in the Franchisee's Territory in accordance with applicable law. Franchisees may be required to chair their first few groups while identifying chairs to help launch new groups.

6.2 *DUTIES.* Franchisee must:

6.2.1 Use its best efforts to develop members and referral sources, recruit suitably qualified and carefully screened Trustegritty® Business Chairs and members, and refer such Trustegritty®

Business Chairs to members and refer prospective members to existing and new groups;

6.2.2 Use best efforts to collect all member payments owing within ten (10) calendar days of Services being rendered, requiring all members to pay through Franchisor's membership portal (or through such other method as Franchisor may from time to time require) prior to service being rendered;

6.2.3 Submit to TG such reports as required by TG in an electronic or written format prescribed by TG as further described in Section 11 below or shall consent to TG retrieving such information from any portal or system used for the retention of such data or creation of reports;

6.2.4 Adhere to and comply with (i) the TG Business Model under which Franchisee is operating; (ii) the policies, procedures, rules, and/or guidelines relating to the System; and (iii) changes or revisions to the same, as set forth in the Manual or otherwise in writing from time-to-time;

6.2.5 Use best efforts to remain current on legal and other developments in the industry in which the Services are offered, and promptly advise TG of any changes that may affect the Franchise or such business;

6.2.6 Submit to, and make the Franchise records, premises, Trustegrity® Business Chairs, employees, members, and Customers available for routine inspections, interviews, and reviews as described in Sections 7 and 11 below;

6.2.7 Comply with all federal, state, and local laws and regulations that apply to the Franchise; if Franchisee has a material disagreement with TG as to the applicable laws and regulations, Franchisee may avail itself of the dispute resolution provisions in Section 19 below;

6.2.8 Without limiting the foregoing, as required by applicable local, state, and federal law(s) covering the operation of Franchise, obtain and maintain all appropriate licenses (including any renewal of such licenses when required by state law) together with registration and required surety bonds, if any, and provide to TG copies of all initial state licenses (and renewals thereof) within thirty (30) days of receipt of such initial license and renewal licenses;

6.2.9 Maintain the use and integrity of the Territory Name without change unless permitted in writing by TG;

6.2.10 Purchase sufficient amounts of business forms, member on-boarding kits, brochures, business cards, and descriptive literature necessary for the operation of the Franchise;

6.2.11 Not relocate the Franchise nor establish any "satellite locations" under this Agreement without the prior written approval of TG. Such approval for relocation will not be unreasonably withheld;

6.2.12 Maintain satisfactory Franchise performance in terms of adherence to this Agreement and the Manual;

6.2.13 Respond to Franchisor's reasonable requests for information and/or participation in a timely, thorough, and forthright manner, including providing on an annual basis Franchisee's annual sales and revenue goals;

6.2.14 Participate in regularly available Franchisor programs, presentations, and learning opportunities;

6.2.15 Execute by the Opening Date of this Agreement the Conditional Assignment of Franchisee's Telephone Numbers, which permits the immediate transfer of all of the telephone numbers and e-mail addresses utilized by Franchisee in the operation of its Franchise to TG upon Expiration, Termination, or Transfer of the Franchise;

6.2.16 Register for, pay the requisite fee, and attend at least one TG-sponsored regional or national conference each year. If Franchisee does not attend the required regional or national conference, Franchisor reserves the right to charge the Franchisee a fee equal to one-hundred and fifty percent (150%) of the costs to attend the regional or national conference;

6.2.17 Obtain, install, and maintain up-to-date computer hardware, software, telephone, high speed internet access with e-mail capacity, and other equipment as TG may periodically and reasonably require in TG's Reasonable Discretion, subject to review by TG's software selection committee;

6.2.18 Promptly submit all matters in dispute with any other System franchisees for resolution by TG;

6.2.19 Participate in TG or third-party customer satisfaction programs as required by state law as described in the State Compliance Manual; and

6.2.20 Include Franchisor's designated agent or representative as an administrator with respect to any social media site, website, application, or other electronic media.

6.3 *COMPLIANCE WITH MANUAL.* Franchisee shall operate the Franchise in strict compliance with the standards and specifications set forth in this Agreement and the Operations Manual and any revisions or amendments to same, as may be changed by TG from time to time in accordance with Section 9. Franchisee acknowledges that Franchisee may incur reasonable costs to comply with such changes at its expense.

6.4 *OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE.* For the first three (3) years after the Opening Date, Franchisee must directly, exclusively, and personally supervise the Franchise operations. Thereafter, including for any renewal terms of this Agreement granted pursuant to the renewal provisions of Section 2, TG does not require Franchisee to participate personally in the direct day-to-day operation of the Franchise, provided that the Franchise must at all times be under the direct supervision of a manager who has satisfactorily completed the TG initial training and devotes full time and effort to the management of the Franchise. Franchisee will be responsible for arranging and paying for the lodging, travel, meals, and other expenses incurred in connection with the initial and subsequent training. Such manager must also execute the Confidentiality, Non-Competition, and Non-Disclosure Agreement described below.

6.5 *ADDITIONAL SERVICES.* Franchisee will be given the right of first offer as described in Section 1.3.4 hereof for any additional and adjunct products and services, in Franchisor's Reasonable Discretion. Additional training and start up fees, but not an initial franchisee fee for such new opportunity, may be required if Franchisor authorizes Franchisee to offer such additional services.

6.6 *LIMITATIONS ON GRANT.* The grant in Section 1 of this Agreement does not include (i) any right to establish an independent website or to create, register, or use a domain name incorporating the Marks or any variation thereof; or (ii) any right to distribute, market, or implement TG's products and services in any channel of distribution not specifically permitted by this Agreement. Franchisee's website will be a sub-domain of TRUSTTEGRITY.com

7. QUALITY REVIEWS

7.1 *QUALITY REVIEWS.* Franchisee acknowledges and agrees that TG will conduct periodic quality reviews (the "Quality Reviews") of Franchisee's operations and will review Franchisee's office procedures, records, and file contents and interview Franchisee's staff, members, and Trustegrity® Business Chairs. The Quality Reviews may include the "monitored or recorded for quality assurances purposes" telephone calls to members or Trustegrity® Business Chairs. TG shall also have the right to record and grade telephone calls, visits to Customers, and referral sources. TG's quality review may include a "mystery

shopper” program from time to time. TG will issue Franchisee a written report of its findings, which may be hand-delivered at the time of on-site Quality Review, or sent subsequently by mail or e-mail.

7.2 *RETRAINING.* Franchisee may be required by TG to participate in retraining as a result of any quality review failure and pay our then current fees related to the training. TG retraining fee is currently five hundred dollars (\$500) per day. Franchisee must promptly pay TG the retraining fee upon receipt of TG’s invoice.

7.3 *NOTICE OF DEFICIENCY.* In the event that Franchisee fails to satisfactorily pass any Quality Review, TG will issue Franchisee a notice of deficiency (a “Notice of Deficiency”) detailing the deficiencies observed by TG. Upon receiving notice of a Notice of Deficiency and without limiting in any way TG’s rights and remedies under this Agreement (including TG’s rights under Section 15), Franchisee will have thirty (30) days to provide TG with a written plan for correcting each deficiency listed in the Notice of Deficiency (the “Corrective Action Plan”). Franchisee’s failure to submit to TG the Corrective Action Plan within thirty (30) calendar days of date of Notice of Deficiency shall constitute a default of this Agreement.

8. MARKS

8.1 *OWNERSHIP OF MARKS.* Franchisee acknowledges that TG owns all right, title and interest in the Marks and System and that TG has the right to assign all or a portion of its right, title, and interest in the Marks and System to such person or entity as it may desire. Franchisee further acknowledges that its right to use the Marks and System is based solely on this Agreement and is limited to its conduct of business in compliance with this Agreement and all applicable standards, specifications, and operating procedures that TG prescribes during the term of this Agreement.

8.2 *UNAUTHORIZED USE.* Any material, unauthorized use of the Marks or System by Franchisee will constitute a breach of this Agreement. Franchisee may not use any of the Marks (or any names or words confusingly similar to any of the Marks) as part of any corporate name, domain name, or with any prefix, suffix, or other modifying words, terms, designs, or symbols (other than logos licensed by TG to the Franchisee). Franchisee may not use any Marks (or any names or words confusingly similar to any of the Marks) in connection with the sale of any unauthorized product or service nor in any other manner not explicitly authorized by TG, nor which could detract or in any way demean the Marks. Franchisee may not use the Marks or System for any unauthorized purpose, including, without limitation, on endorsements, banking instruments or documents, or business forms, or other documents without the prior written consent of TG.

8.3 *OTHER USES.* Franchisee may not use any other logo, mark or name in connection with the operation of the Franchise.

8.4 *INFRINGEMENT.* In the event of any infringement of, or challenge to Franchisee’s use of any of the Marks or System, Franchisee shall immediately notify TG. TG may direct and control any administrative proceeding or litigation involving the Marks or the System, including any settlement thereof. TG is not required to defend Franchisee against any infringement, unfair competition or other claim respecting Franchisee’s use of any Mark or the System; however, TG shall indemnify Franchisee against, and reimburse Franchisee for, all damages for which Franchisee is held liable in any proceeding arising out of the use of any of the Marks, including attorney’s fees and related costs, provided the liability is not caused by Franchisee’s unauthorized use of the Marks in violation of this Agreement or TG’s Brand Standards. If in TG’s Reasonable Discretion, it determines that Franchisee has not used the Marks in accordance with this Agreement or the Brand Standards, Franchisee will bear the cost of such defense, including the cost of any judgment or settlement.

8.5 *SUBSTITUTION.* TG reserves the right, in its Reasonable Discretion, to add to or modify

the Marks, and to substitute different proprietary marks for use in identifying the System and the businesses operating under the System. TG shall provide Franchisee one hundred eighty (180) days notice of any such addition, modification, or substitution. TG agrees to evenly share the expense of modifying the Mark(s) for signage and car wraps, and Franchisee will bear the expense of replenishing forms and printed materials bearing the new marks (if Franchisee's inventories are not exhausted within the one hundred eighty (180) day notice period). Franchisee shall discontinue using all Marks that TG has modified or discontinued within one hundred eighty (180) days of receiving written notice from TG, and shall then promptly begin using such additional, modified, or substituted Marks as TG may designate.

8.6 *NO CONTEST.* Franchisee shall not contest, directly or indirectly, TG's ownership, title, right, or interest in any of the Marks or the System, nor contest TG's sole right to register, use, or license others to use the Marks and System.

9. OPERATIONS MANUAL

9.1 *LOAN.* TG will loan Franchisee one copy of its Operations Manual during the term of this Agreement. TG may deliver Franchisee's copy of the Manual in hard copy and/or electronically.

9.2 *MANUAL.* The Operations Manual contains key information about the TG System, including various required and recommended policies, procedures, rules, and guidelines promulgated from time to time by TG, the federal government, and other obligations of the Franchisee under the Franchise Agreement, TG's System, and the operation of the Franchise.

9.3 *CONFIDENTIALITY.* All copies of the Manual will remain confidential and the exclusive property of TG. TG has the exclusive right to add to and otherwise modify the Manual in its Reasonable Discretion with Consultation, and as it deems necessary to meet competition, protect the Marks, meet or comply with changing regulatory environment, or improve the quality of the services offered by the System. In the event TG has material modifications to the Manual, TG will provide a copy to recognized Franchisee representatives sixty (60) days prior to finalizing such changes and receive comments on such changes within such sixty day period prior to implementation. TG will provide Franchisee a reasonable amount of time to comply with any changes or modifications to the Manual.

9.4 *OFFICIAL COPY.* TG maintains an official copy of the Manual at its corporate headquarters. In case of any dispute relating to the contents of the Manual, the official copy of the Manual posted on the TG intranet system shall control.

10. CONFIDENTIALITY

10.1 *CONFIDENTIALITY COVENANTS.* Franchisee acknowledges that its knowledge of the System and Services, which is derived from information disclosed to Franchisee by TG pursuant to this Agreement and any addenda thereto, including without limitation, business systems, referrals, and contacts included in Regional/National Contracts, Manual, tactics, strategies, and materials; information about proprietary products; any proprietary software Franchisor may now or in the future create; and the Operations Manual (collectively, the "Confidential Information"), are proprietary and confidential to TG. Other information that has been developed by Franchisee, including Client information, Group Chair rosters, and referral sources shall be deemed to be Joint Confidential Information. With respect to all Confidential Information and Joint Confidential Information, TG and Franchisee therefore agree that:

10.1.1 TG and Franchisee will fully and strictly adhere to all security procedures prescribed by TG in its Reasonable Discretion for protecting such Confidential Information and Joint Confidential Information;

10.1.2 During the term of this Agreement and thereafter, neither TG nor Franchisee will disclose such Confidential Information to any person or entity other than its employees and then only to the

extent reasonably necessary to market the Services and for the operation of the Franchise in accordance with this Agreement and with adherence to the procedures, policies, rules, and/or guidelines set forth in the Operations Manual;

10.1.3 Franchisee will obtain a non-disclosure agreement from all internal office employees prior to hiring, and from all vendors that will have access to Confidential Information and Joint Confidential Information in a form substantially identical to that which is set forth in Attachment 4;

10.1.4 Franchisee will not use any Confidential Information or Joint Confidential Information in any other business or in any manner without the prior written consent of TG, provided, however, that subject to Section 17.2.2 and applicable privacy laws, including HIPAA, Franchisee and Franchisee's principals may use Joint Confidential Information developed solely by Franchisee in a non-competing business; and

10.1.5 TG and Franchisee will exercise the highest degree of diligence and make every effort to maintain the confidentiality of all such Confidential Information during and after the term of this Agreement.

10.2 *EMPLOYEE CONFIDENTIALITY AGREEMENTS.* Franchisee must obtain from each and every full- and/or part-time office employee a signed confidentiality agreement, which provides that such employee(s) shall maintain the confidentiality of the Confidential Information during and after the term of such employee's employment with Franchisee. Such agreement, which will be in a form that Franchisor prescribes, will identify Franchisor as a third-party beneficiary to the agreement and give Franchisor independent enforcement rights.

11. TAXES, SALES REPORTS & FINANCIAL STATEMENTS

11.1 TAXES.

11.1.1 Franchisee is responsible to promptly pay to the proper taxing authorities when due, any and all applicable federal, state, and local taxes, including, but not limited to payroll and social security taxes, FICA, sales, income, or FUTA taxes withheld or due; state and federal unemployment taxes; any taxes for employees required by applicable law; and state workers' compensation taxes, and to mail to TG, if requested by TG, within forty (40) days after the close of each calendar quarter, evidence of the payment of all such taxes in a form satisfactory to TG including but not limited to all filings, forms, and returns, and such other information as TG may request in writing or in the Manual from time-to-time.

11.1.2 TG shall have the right in its Reasonable Discretion to access tax and income information and returns including but not limited to personal returns for any information concerning siphoning, record falsification, concealment, diminution, or other unreasonable decrease in the usual and customary cases, members and/or Gross Profit of the Franchise.

11.2 *SALES REPORTS.* Franchisee shall submit sales reports and financial statements in formats prescribed by TG at least bi-weekly or allow Franchisor to pull such information from the electronic database as it may determine.

11.3 *MARKETING REPORTS.* Franchisee shall submit reports of its marketing activities, including but not limited to local marketing expenditures, as required by TG.

11.4 *LATE FEES.* In the event Franchisee fails to submit all sales reports and financial statements to TG and/or deposit all collected Royalties into TG's bank account within seven (7) calendar days of the date when due, Franchisee will be responsible and liable to TG for a five percent (5%) late fee from Franchisee's collected Gross Profit for each additional week that passes without TG's receipt of weekly sales reports and financial statements or Franchisee's failure to deposit all collected royalties into TG's bank

account. Reports may be submitted electronically, by email, or uploading to Google Drive, or as a hardcopy.

11.5 *AUDIT OF REPORTS.* Franchisee must maintain accurate business records, reports, accounts, books, and data relating to the operation of the Franchise. TG will have the reasonable right to inspect and/or audit or cause to be audited all of Franchisee's business records, including sales reports, advertising reports, banking and financial statements, and tax returns to determine whether Franchisee is current with suppliers and is otherwise operating in compliance with the terms of this Agreement and the Manual. Such inspections and/or audits will be conducted at the expense of TG except as specified below in Section 11.6. TG shall have the right to enter upon Franchisee's premises during normal business hours, and without liability, for the purpose of examining such premises; conferring with Franchisee's employees and agents; inspecting, auditing and copying books and records; and determining whether Franchisee's operation is in full compliance with this Agreement, the System and the Manual. If Franchisee fails any inspection or evaluation, for any subsequent inspection or evaluation to determine compliance with such failure, Franchisor shall pay the costs and expenses for such inspection or evaluation if Franchisee has cured such failure, and Franchisee shall pay the costs and expenses for such inspection or evaluation if Franchisee has not cured such failure.

11.6 *UNDERSTATEMENT OF GROSS PROFIT RECEIPTS.* In the event any audit or review discloses any understatement of Franchisee's Gross Profit, Franchisee is obligated to pay to TG, within fifteen (15) days after receipt of TG's review report to the Franchisee, the un-remitted funds. If Franchisee fails to pay TG any understated Gross Profit within fifteen (15) days of receipt of such review report, then Franchisee shall pay TG any unremitted funds, plus interest on such unpaid amount from the date it was due until all past due amounts are paid, at a rate of the lesser of twelve percent (12%) per annum or the maximum rate permitted by law. Further, if any review process discloses an intentional understatement of three percent (3%) or more of the Franchise Gross Profit for any period or periods, the Franchisee is required to reimburse TG for the cost of such review process including, without limitation, the charges of any independent accountant and attorney's fees, the travel expenses, room and board, and pro-rata compensation of TG's auditing employee(s) or agents. TG may deduct the penalty and TG's costs and expenses directly from Franchisee's Gross Profit. Further, if any subsequent review process (which must be undertaken more than thirty (30) days after the prior audit or review) discloses any understatement for any subsequent period, or if any review discloses evidence of intentional understatement, TG will have the right to immediately terminate the Franchise Agreement upon discovery, for cause and without notice, and Franchisee will forfeit all rights to the Franchise.

11.7 *OWNERSHIP OF ALL RECORDS.* Once in use by the Franchise, all current and prior Client lists and files, phone and contact lists, Group Chair/resource files, Rolodex/file cards, computerized databases, records, software, etc. containing Client, Trustegrity® Business Chair, or employee marketing and financial data of any type, however developed or stored, shall become and remain the property of TG at all times during and after the term of the Franchise and following Expiration or Termination of any type for any reason or no reason by either party, non-renewal or sale. TG will have independent access to the information that will be generated and stored in Franchisee's computer system at all times-, including direct access to Franchisee's accounting software. There are no limitations on TG's rights to access this information. Except as otherwise prohibited by law, TG may use this information in any reasonable manner in furtherance of our Common Mission and Guiding Principles, including its right to publish key performance data (without attribution to Franchisee) and client satisfaction related data (without attribution to Franchisee) internally or disclose such information to third parties. The development and preservation of data for the benefit of the TG brand and the franchise network is a key attribute of the Franchise System. TG and Franchisee agree to maintain and share data for our mutual benefit during the term hereof, and both TG and Franchisee agree to protect the confidentiality of data for our respective benefits. TG may share data in a manner that is lawful and that protects the confidentiality of individual franchisees, customers, and

Trustegrity® Business Chairs, but that promotes the growth and success of the Trustegrity® brand as a whole. TG will not sell data developed by Franchisee without express written approval of the Franchisee. While the data and records described in this paragraph remain the property of TG both during and after the term of the Agreement, TG acknowledges and agrees that any goodwill developed by Franchisee may be included in a sale of such business as described in Section 14.10 of this Agreement. After the term of the Agreement, Franchisee will retain copies of records as required by applicable law.

12. ADVERTISING/MARKETING

12.1 *ADVERTISING ASSISTANCE.* TG may consult and confer periodically with Franchisee and other franchisees about advertising and provide Franchisee (upon request) with marketing advice from time-to-time at TG's Reasonable Discretion, and at Franchisee's sole expense.

12.2 *GENERAL MARKETING FUND.* TG ~~may establish, maintain, and dissolve~~ has established a general marketing fund (the "General Marketing Fund") and may maintain and/or dissolve the General Marketing Fund in its sole discretion.

12.2.1 ~~If TG establishes and maintains the General Marketing Fund,~~ Franchisee shall pay TG a monthly "General Marketing Fee" equal ~~to the greater of three percent (3%) of Franchisee's Gross Profit from the prior month or two hundred dollars (\$200.00).~~ In the event that Franchisee operates TG Businesses in more than one territory under the Marks and System, Franchisee will pay three percent (3%) of Gross Profit under each Franchise Agreement. The General Marketing Fee shall be due at the same time and by the same method as the Royalty Fee.

12.2.2 Franchisee's payment of General Marketing Fees due under this Agreement shall be capped on an annual basis at twenty thousand dollars (\$20,000); provided, however, that if Franchisee's Principals operate another TG Business under the Marks and System in the Territory, the \$20,000 cap shall be applied to the aggregate of all such businesses in the Territory; and provided further, however, that in the event that Franchisee operates TG Businesses in more than one territory, Franchisee may aggregate the General Marketing Fees from all such TG Businesses for the trailing twelve-month period to determine if the twenty thousand dollar (\$20,000) cap applicable to each territory has been reached.

12.2.3 TG will administer and maintain the General Marketing Fund to develop branded marketing programs and tools to support the services provided by TG in venues such as online, print, and public relations forums promoting the Services provided by TG franchises.

12.2.4 TG will use the General Marketing Fund contributions, in TG's Reasonable Discretion with Consultation, to develop, produce, and distribute national, regional, and/or local advertising and to create advertising materials and public relations programs that promote, in TG's Reasonable Discretion, the products and Services offered by TG System Franchisees. TG has the right to determine expenditures from the General Marketing Fund, or any other advertising program, and the authority to determine the selection of the advertising materials and programs; provided, however, that TG will make a good faith effort to expend General Marketing Fund contributions in the general best interests of the System on a national and/or regional basis. TG may use the General Marketing Fund to satisfy any and all costs of maintaining, auditing, administering, directing, preparing, and producing advertising, including the cost of preparing and producing Internet, television, radio, magazine, and newspaper advertising campaigns, direct mail, outdoor billboard advertising, and any other forms of advertising; the cost of public relations activities and advertising agencies; the cost of developing and maintaining an Internet website; and other departmental costs for advertising that TG internally administers or prepares. Nevertheless, Franchisee acknowledges that not all System franchisees will benefit directly or on a pro rata basis from such expenditures. However, TG reserves the right to use the General Marketing Fund for public relations or recognition of the Trustegrity® brand, for the creation and maintenance of a website, a portion of which can be used to explain

the franchise offering and solicit potential franchisees, and to include a notation in any advertisement indicating “Franchises Available.” TG has the right to reimburse itself from General Marketing Fund contributions for such reasonable costs and overhead, if any, as TG may incur in activities reasonably related to the direction and implementation of the General Marketing Fund.

12.2.5 TG will prepare on an annual basis, and will have available for Franchisee within sixty (60) days of the end of the fiscal year, an unaudited statement of contributions and expenditures for the General Marketing Fund. TG will make such statement available on its then-current electronic internet system for franchisee communications for the prior calendar year. The General Marketing Fund is not required to be independently audited.

12.3 *LOCAL MARKETING REQUIREMENT.* In addition to payment of the General Marketing Fee described above, Franchisee is required to participate in the Local Lift-Off Program and required to pay the Local Lift-Off Program Fee described in Section 4. The funds will be used as solely determined by TG to encourage growth of the Franchise. Following completion of the Local Lift-Off Program, Franchisee is required to spend a minimum of \$2,500.00 per year on local marketing, promotional, and advertising activities (the “Local Marketing Requirement”). However, the Local Marketing Requirement will be waived, if (i) Franchisee hires a dedicated sales and marketing professional or (ii) if the Franchise is or will be jointly operated by two related adult Family Members. Except as provided in the preceding sentence, Franchisee cannot designate himself or herself (or, in the case of a corporate entity Franchisee, the principal owner of the Franchisee) as the sales and marketing professional for the purpose of reducing Franchisee’s annual Local Marketing Requirement. Franchisee acknowledges and agrees that it must use only advertising and promotional materials developed or approved by TG, and must cease using any materials upon instruction from TG. Franchisee must participate in advertising, promotional, and/or branding initiatives upon instruction from TG. Franchisee agrees not to use public figures in Franchise promotional efforts or advertising without the prior express written approval of TG. Franchisee must submit all self-generated advertising materials to TG for our approval prior to use.

12.4 *E-MAIL ACCOUNTS, WEBSITE, and SOCIAL MEDIA ACCOUNTS.* TG may provide Franchisee with one e-mail account under TG’s registered e-mail and website domain as part of the franchise purchase. Franchisee must use any such assigned e-mail accounts in all official aspects of the operation of the Franchise. Each e-mail account remains TG’s sole property and reverts to TG in the event of any Termination, Expiration, or approved Transfer. Franchisee may not establish or use other e-mail or social media accounts for the Franchise, nor may Franchisee use or establish or identify any website or social media site other than the designated TG website for Franchise business operations, except as otherwise stated in this Agreement and except for e-mail accounts used in connection with the Franchise prior to the date hereof, or as otherwise permitted by TG, or as provided in a social media policy (if any), which may hereafter be adopted by TG and incorporated in the Manual. If TG allows Franchisee to use any other e-mail or social media accounts, websites, or related online platforms for advertising or communication with members or prospective members, TG shall exclusively own such accounts, and TG will provide “editor” access or a similar level of access to Franchisee for so long as Franchisee is in compliance with this Agreement. Franchisee may not use the Marks or any trade names or trademarks confusingly similar to the Marks as part of any e-mail address, website identification, or on any third-party website without TG’s prior written consent. Except for personal exchanges of correspondence in the ordinary course of business between Franchisee, members, prospective members, Franchisee’s established contacts, including Trustegrity® Business Chairs, any e-mail or online content Franchisee creates related to marketing or advertising the Franchise, the Services, Trustegrity® Business Chairs, or members will be considered advertising and be subject to TG Technology Team approval and instruction as described in Section above.

12.5 *ADVERTISING COOPERATIVES.* TG will have the right, in TG’s Reasonable Discretion with Consultation, to determine whether a regional advertising and promotional cooperative

("Cooperative") is applicable to the Franchise.

13. INSURANCE REQUIREMENTS & INDEMNIFICATION

13.1 *INSURANCE.* Within one (1) month of the execution of this Agreement, and prior to providing Services to any Client or Customer, and thereafter annually, Franchisee shall purchase and maintain, at its sole expense, insurance coverage in the following amounts, which shall name TG as "additional insured" for liability arising out of the operations of the Franchise:

13.1.1 General and Professional Liability Insurance for the management and operation of the Franchise in an amount not less than one million dollars (\$1,000,000) per occurrence, two million dollars (\$2,000,000) in the aggregate;

13.1.2 One million dollars (\$1,000,000) non-owned auto insurance for each accident sub-limit;

13.1.3 Workers' Compensation Insurance for office staff, and for additional team members as determined by TG. Business systems chosen and as prescribed by the state of operation; and

13.1.4 In addition, TG recommends that Franchisee purchase Employment Practices Liability Insurance, Renter's Insurance, and an umbrella policy for defense outside the limits set forth above.

All of the insurance policies described above shall be maintained by Franchisee at all times during the operation of the Franchise, at its sole expense without gap in coverage or diminution in amount(s) prescribed. Franchisee shall annually provide to TG copies of certificates of insurance, the insurance policy, declarations sheets, and policy renewal records for the Franchise within thirty (30) days of renewal of each policy, and upon TG's request. At any time during the term of this Franchise Agreement, TG may reasonably require Franchisee to increase the limits of the insurance described above or obtain additional types of insurance coverage as may be subsequently required by changing state or federal regulation and/or TG's policy and/or System structure. Franchisee is obligated to fully comply with all insurance requirements over time, i.e., certain state licensures require the posting of a bond. All insurance certificates must expressly provide that not less than thirty (30) days prior written notice will be given to TG in the event of material alteration to, or cancellation of, the coverage's evidenced by such certificates. Should Franchisee, for any reason, fail to procure or maintain the insurance required by this Agreement, as such requirements may be revised in the Operations Manual or otherwise in writing, TG has the right and authority (without, however, any obligation to do so) immediately to procure such insurance and to charge same to Franchisee, which charges will be payable by Franchisee immediately upon notice. The foregoing remedies will be in addition to any other remedies TG may have.

13.2 *INDEMNIFICATION.*

13.2.1 *FRANCHISEE INDEMNIFICATION.* Franchisee and Franchisee's Principals ("Franchisee Indemnitors") agree to indemnify, defend, and hold TG, TG's affiliates and their respective shareholders, directors, officers, employees, agents, successors, and assignees ("Franchisor Indemnitees") harmless from any and all claims, obligations, liabilities, and damages ("Franchisor Liabilities"), including any and all negligence claims or liability claims, directly or indirectly arising out of, in whole or in part: (a) the operation of the Franchise, including the actions and omissions of referred Trustegritty® Business Chairs, in a manner inconsistent with the terms hereof, as well as the sale of any products or services, and Franchisee's unapproved advertising; (b) the use of the Marks and Confidential Information or Joint Confidential Information in violation hereof, other than as authorized and/or approved by TG; (c) the transfer of any interest in this Agreement or the Franchise in any manner not in accordance with this Agreement; (d) the infringement, alleged infringement, or any other violation or alleged violation by Franchisee or any of its Principals of any patent, mark, or copyright or other proprietary right owned or

controlled by third parties other than as prescribed, instructed, or authorized by TG in the Brand Standards or the Manual; (e) libel, slander, or any other form of defamation of TG, the System, or System franchisees, by Franchisee or by any of its Principals; and (f) against any claims by any third party, governmental authority, Franchisee, or its Principals for any violation or alleged violation of any federal or state laws, regulations, or requirements related to employees or independent contractors other than as prescribed, instructed, or authorized by the Manual. For purposes of this indemnification, “Franchisor Liabilities” shall include all obligations, actual, consequential, punitive, and other damages, and costs reasonably incurred in the defense of any action (including without limitation attorneys’ fees and related costs). TG shall have the right to defend any such Franchisor Liability against it in such manner as TG deems appropriate or desirable in TG’s Reasonable Discretion. This indemnity shall continue in full force and effect subsequent to and notwithstanding the Expiration or Termination of this Agreement. In connection with satisfaction of Franchisee’s foregoing obligations, Franchisee agrees that the following shall apply to any settlement: (1) Franchisor Indemnitees shall receive a complete release from all claimants; (2) the settlement shall not impose any liability on the Franchisor Indemnitees not covered by these indemnifications; and (3) the settlement shall not impose any liability or place any restrictions on the Franchisor Indemnitees. Notwithstanding the foregoing sentence, Franchisor may provide a written waiver of these conditions to facilitate settlement, which waiver will not be unreasonably withheld if Franchisor Indemnitees’ interests are otherwise protected.

13.2.2 TG INDEMNIFICATION. TG (“Franchisor Indemnitor”) agrees to indemnify, defend, and hold Franchisee, Franchisee’s affiliates, and its respective shareholders, directors, officers, employees, agents, successors, and assignees (“Franchisee Indemnitees”) harmless from any and all claims, obligations, liabilities, and damages (“Franchisee Liabilities”), when incurred following TG’s System as required herein, by any third party or governmental authority for any violation or alleged violation of any federal or state laws, regulations, or requirements related to the Services or Trustegrity® Business Chairs as has been prescribed, instructed, or authorized by TG. For purposes of this indemnification, “Franchisee Liabilities” shall include all obligations, actual, consequential, punitive and other damages, and costs reasonably incurred in the defense of any action. TG shall have the right to defend any such Franchisee Liability in such manner as TG deems appropriate or desirable in TG’s Reasonable Discretion. This indemnity shall continue in full force and effect subsequent to and notwithstanding the Expiration or Termination of this Agreement.

14. TRANSFER AND ASSIGNMENT

14.1 TRANSFER BY TG. TG has the right to sell, transfer, assign, delegate, and/or encumber all or any part of TG’s assets and TG’s interest in, and rights and obligations under, this Agreement in its Sole Discretion. Any transaction of the kind described in the preceding sentence will be to an entity that has the capability and financial stability to meet the obligations under this Agreement.

14.2 TRANSFER OF A MAJORITY INTEREST BY FRANCHISEE. Franchisee understands and acknowledges that the rights and duties set forth in this Agreement are personal to Franchisee, and that TG has granted this Franchise in reliance on Franchisee’s (or, if Franchisee is a corporation, partnership, or limited liability company, its Principals’) business skill, financial capacity, and personal character. Accordingly, neither Franchisee nor any immediate or remote successor to any part of Franchisee’s interest in this Agreement, nor any individual, partnership, limited liability company, corporation, or other legal entity that directly or indirectly owns any interest in Franchisee or in the Franchise Business shall sell, assign, transfer, convey, pledge, merge, or give away more than fifty percent (50%) of any direct or indirect interest in this Agreement, in Franchisee, or in all or substantially all of the assets of the Franchise (collectively, “Transfer”) without the prior written consent of TG, which TG will not unreasonably withhold. TG acknowledges that Franchisee has the right to offer the Franchise for sale during the term of the Agreement to a third-party purchaser meeting TG’s standards and conditions, subject to TG’s right of first

offer. Any purported Transfer not having the written consent of TG required by this Section 14 shall be null and void and shall constitute a material breach of this Agreement, for which TG may immediately terminate without opportunity to cure pursuant to Section 15 of this Agreement.

14.3 *CONDITIONS TO TRANSFER OF A MAJORITY INTEREST.* Franchisee shall notify TG in writing of any proposed Transfer at least thirty (30) days before such Transfer is proposed to take place. TG shall not unreasonably withhold its consent to any proposed Transfer, but TG may, in its discretion, require any or all of the following as conditions of its approval:

14.3.1 Franchisee is not in default under any provision of this Agreement or any other agreement with TG or any affiliate or supplier; provided, however, that this condition shall not apply and Franchisee has the right to make a Transfer or assignment if Franchisee or any of Franchisee's Principals are in default of Section 15.1.3 hereof, and relinquishes or otherwise disposes of its ownership interest in the Franchise on the terms in this Section 14 within thirty (30) days following any event described in Section 15.1.3 or agrees with TG on a Corrective Action Plan and completes such plan in the time period agreed upon with TG;

14.3.2 The transferee must meet then applicable standards of TG for operating a TG franchise under the Marks and the System, must have, in the Reasonable Discretion of TG, sufficient business experience, aptitude, the personal character, and financial resources to properly operate the Franchise, and must not be involved in any business that is competitive with or similar to a TG Business operating under the Marks and the System, or that would violate the non-competition or non-solicitation covenants in Section 17 hereof;

14.3.3 The transferee purchases TG's then current required technology (as described in Section 4.4 above);

14.3.4 Subject to applicable law, Franchisee and all of its Principals execute a general release and indemnification agreement in favor of TG, and Franchisee and its Principals agree(s) to be bound by all the applicable post-termination provisions of this Agreement; provided, however, that there shall not be released any pending claims for which Franchisee has either (a) filed a notice of mediation or notice of arbitration under Section 19 hereof; or (b) if such claim is not subject to mediation and arbitration pursuant to Article 19, actually filed and served TG with notice of such claim;

14.3.5 All outstanding debts of Franchisee in connection with the Franchise have been paid in advance of the Transfer;

14.3.6 Transferee or transferee's Principals have attended TG's required training;

14.3.7 At transferee's option, the transferee may assume this Agreement (through its unexpired term), or the transferee shall execute TG's then-current form of franchise agreement (for a full initial term) and other ancillary agreements as TG may require for the Franchise, which agreements shall supersede this Agreement in all respects, and the terms of which may differ from the terms of this Agreement including higher fees and greater advertising obligations, except that the transferee shall not be required to pay any initial franchise fee or Local Lift-Off Fee, and the Franchisee's Territory shall remain the same, and will not be required to adopt a different Business Model;

14.3.8 Franchisee pays TG a transfer fee (the "Transfer Fee") in an amount equal to (a) whichever is the greater of eight thousand dollars (\$8,000) or half of the then-current Initial Franchise Fee for any Transfer to a new franchisee in which there is no broker fee; (b) seven thousand five hundred dollars (\$7,500) for any Transfer to a new franchisee, plus any brokerage fee payable by Franchisee when there is a broker fee; or (c) five thousand dollars (\$5,000) for any Transfer to an existing TG franchisee; and

14.3.9 Notwithstanding Section 14.3.8, no Transfer Fee will be required (a) in the case of

a Transfer to a corporation, partnership, or limited liability company (in which the current or existing individual Franchisee owns more than a fifty percent (50%) interest in such entity) that is formed by Franchisee for the convenience of ownership; (b) in a Transfer to Franchisee's spouse or adult child; or (c) at TG's Reasonable Discretion in a Transfer to Franchisee's employee.

14.4 *ASSIGNMENT OF A MINORITY INTEREST BY FRANCHISEE.* Franchisee understands and acknowledges that the rights and duties set forth in this Agreement are personal to Franchisee, and that TG has granted this Franchise in reliance on Franchisee's (or, if Franchisee is a corporation, partnership, or limited liability company, its Principals') business skill, financial capacity, and personal character. Accordingly, neither Franchisee nor any immediate or remote successor to any part of Franchisee's interest in this Agreement, nor any individual, partnership, limited liability company, corporation, or other legal entity that directly or indirectly owns any interest in Franchisee or in the Franchise Business shall sell, assign, transfer, convey, pledge, merge, or give away 50% or less of any direct or indirect interest in this Agreement or in Franchisee (collectively, an "Assignment"), without providing notice to TG thirty (30) days before any such proposed Assignment is to take place and without complying with the conditions for such Assignment described in this Section 14.4 below. TG acknowledges that Franchisee has the right to offer the Franchise or an interest therein for sale during the term of the Agreement to a third-party purchaser meeting TG's standards and conditions. Any purported Assignment that does not occur in accordance with this Section 14.4 shall be null and void and shall constitute a material breach of this Agreement, for which TG may immediately terminate without opportunity to cure pursuant to Section 15 of this Agreement. The following conditions shall apply to any proposed Assignment hereunder:

14.4.1 The proposed assignee must not be involved in any business that is competitive with or similar to a TG Business operating under the Marks and the System, or that would violate the non-competition or non-solicitation covenants in Section 17 hereof;

14.4.2 Subject to applicable law, assignee, assignor, Franchisee, and all of its Principals shall execute a general release and indemnification agreement in favor of TG, and assignor shall agree to be bound by all the applicable post-termination provisions of this Agreement; provided, however, that there shall not be released any pending claims for which Franchisee has either (a) filed a notice of mediation or notice of arbitration under Section 19 hereof; or (b) if such claim is not subject to mediation and arbitration pursuant to Article 19, actually filed and served TG with notice of such claim; and

14.4.3 No fee for any Assignment will be required.

14.5 *RIGHT OF FIRST OFFER.* If Franchisee proposes to Transfer the Franchise to any third party (other than a corporation partnership, or limited liability company as set forth in Section 14.9 hereof), Franchisee shall first offer the Franchise to TG by setting forth the price, payment terms, and other material contract terms Franchisee will accept in a written letter of intent ("Letter of Intent"). TG will then have the right and option, exercisable within thirty (30) days after TG receives the Letter of Intent, to notify Franchisee in writing that TG intends to purchase the Franchise on the same terms and conditions contained in the Letter of Intent. If TG exercises its option, closing will occur within sixty (60) days after TG notifies Franchisee of its intent to exercise its right of first offer. If TG elects not to accept the offer within the thirty (30) day period, Franchisee shall have three hundred sixty-five (365) days to complete the Transfer on the terms that equal or exceed the terms described in the Letter of Intent, subject to compliance with the conditions for TG's approval set forth in Section 14.2 hereof. Any final Transfer subject to this Section 14.5 shall be consistent with the Letter of Intent executed by Franchisee and the third- party buyer. Any change in the sales terms from those in the Letter of Intent that are less than those imposed in the Letter of Intent shall be deemed a new proposal, subject to TG's right of first offer. In such event, Franchisee shall provide TG a revised Letter of Intent, which will be subject to TG's right and option as described in this Section 14.5 above. So long as Franchisee has obtained TG's prior written consent, which shall not be

unreasonably withheld, a Transfer to Franchisee's spouse or adult child is not subject to TG's first right of first offer.

14.6 *BUSINESS CONTINUITY PLAN.* TG requires the Franchisee to formulate annually its Business Continuity Plan and to update and submit the Business Continuity Plan to TG with home address, contact and cell numbers, and persons designated to assist in the event of a disruption in Franchise function for whatever cause or reason.

14.7 *DEATH OF FRANCHISEE.* In the event of Franchisee's death (or the death of Franchisee's Principal who is operating the Franchise), the operations of the Franchise shall automatically become the responsibility of the party or parties identified within the Business Continuity Plan. If no such plan exists, TG has the right (but does not have the obligation), in its Sole Discretion, to assume the immediate and total management and administrative responsibility for the Franchise in order to assure its continued smooth operation. The cost of providing such management and administrative services shall become part of the overhead of the Franchise, and TG shall have the right to deduct such overhead from the Gross Profit. If the Franchise is not under an agreement of sale within six (6) months of Franchisee's death (or Franchisee's Principal's death), TG shall have the right to market the Franchise on behalf of the estate and the estate shall be bound to accept any reasonable agreement of sale negotiated by TG. If the Franchisee (or its Principal) dies during the term of the Franchise Agreement and his/her personal representative does not desire to sell the Franchise, and if, under the controlling local law, the deceased Franchisee's (or Principal's) interest in Franchise and this Agreement are distributable to heirs or legatees who are members of the deceased's immediate family and who otherwise would qualify as transferees as defined and discussed in Section 14.3 hereof, then such attempted Transfer by operation of law or will shall not be deemed in violation of this Agreement. TG's right of first offer shall not apply to any Transfers under this Section 14.7.

14.8 *FRANCHISEE'S DISABILITY.* In the event that Franchisee (or its Principal who is operating the Franchise) becomes disabled in any respect, whether physically or mentally, as certified by a licensed physician, Franchisee or his/her agent shall notify TG within seven (7) days. In such event, the operations of the Franchise will automatically become the responsibility of the party or parties identified in the Business Continuity Plan. If no such plan exists, TG shall have the right, in its Sole Discretion, to assume temporary management and administrative responsibility for the Franchise in order to assure the smooth operation of the Franchise. The cost of providing such temporary management and administrative services shall become part of the overhead of the Franchise, and TG shall have the right to deduct such overhead from the Gross Profit. If Franchisee's (or its Principal's) disability prevents Franchisee (or its Principal) from resuming active management of the Franchise within two (2) weeks, and management acceptable to TG has not been installed, Franchisee or his/her agent shall notify TG of a management plan, which must be acceptable to TG, to assure the smooth operation of the Franchise for the duration of the disabled party's disability. At the end of one (1) month, Franchisee (or its Principal) must demonstrate to TG that Franchisee (or its Principal) will be able to resume active management of the Franchise within the next two (2) months. If any of the conditions herein are not met, TG shall have the right to market the Franchise on the same terms as provided in Section 14.7 above.

14.9 *TRANSFER TO FRANCHISEE'S ENTITY.* If Franchisee desires to assign Franchisee's rights under this Agreement to a corporation, partnership, or limited liability company formed by Franchisee (the "Entity"), and if all of the following conditions are met, TG will consent to the assignment without assessing the Transfer Fee set forth in Section 14.3.8:

14.9.1 The current or existing individual Franchisee owns more than 50% interest in the entity and the entity's other Principals meet TG standards for ownership;

14.9.2 The Entity is newly organized for the purpose and its activities are confined solely and exclusively to acting as the Franchisee under this Agreement;

14.9.3 The Entity's charter or organizational documents specifically provide for dissolution of the Entity in the event of non-renewal, Termination, or Transfer of the Franchise;

14.9.4 All certificates representing ownership interests in the Entity bear a legend stating that they are subject to the terms of this Agreement;

14.9.5 All obligations of Franchisee in connection with the Franchise have been assumed by the Entity;

14.9.6 Franchisee executes Franchisor's Assignment and Assumption Agreement, and any individual holding five percent (5%) or more of the ownership interest in the Entity shall execute, ~~on a~~ TG's form approved by TG, a personal guarantee of Personal Guaranty attached hereto as Attachment 5 and agreement agree not to transfer his or her ownership interests in the Entity without TG's prior written consent as required hereunder, and subject to applicable law, assignee, assignor, Franchisee, and all of its Principals shall execute a general release and indemnification agreement in favor of TG; provided, however, that there shall not be released any pending claims for which Franchisee has either (a) filed a notice of mediation or notice of arbitration under Section 19 hereof; or (b) if such claim is not subject to mediation and arbitration pursuant to Section 19, actually filed and served TG with notice of such claim; and

14.9.7 Franchisee must complete the List of Principals in Attachment 3 to provide the information regarding Franchisee's shareholders, partners, or members ("Principals") and their ownership interests in Franchisee.

14.10 *ACKNOWLEDGMENT.* Franchisee acknowledges that goodwill arising from Franchisee's use of the Marks or the System shall inure to TG's benefit, and not to Franchisee on Termination or Expiration of this Agreement. TG acknowledges and agrees that Franchisee has a right to sell Franchisee's business, subject to the transfer provisions in this Section 14 hereof, and to benefit from the sale of such business, and to sell Client lists developed by Franchisee, Trustegrity® Business Chair lists developed by Franchisee, other information (to the extent permitted hereunder), and the goodwill of such business as part of the Franchise as an operating business.

15. DEFAULT AND TERMINATION

15.1 *IMMEDIATE TERMINATION BY TG.* TG may terminate this Agreement and the Franchise granted by it effective immediately upon delivery of written notice of Termination, if the Franchisee:

15.1.1 Makes an assignment for the benefit of creditors and an admission of his/her/its inability to pay his/her obligations as they become due or files a voluntary petition in bankruptcy other than a Chapter 13 bankruptcy;

15.1.2 Abandons the Franchise. The term "Abandon" includes any conduct, intentional or otherwise, which results in the Franchise failing to operate for a period of seven (7) to ten (10) calendar days without Franchisor's prior written approval;

15.1.3 Franchisee or any of Franchisee's Principals are convicted of or plead guilty or no contest to a felony or take part in any criminal misconduct relevant to the operation of the Franchise; provided, however, that if Franchisee or any of Franchisee's Principals are convicted of or plead guilty or no contest to a felony or take part in any criminal misconduct relevant to the operation of the Franchise, TG shall not have the right to terminate this Agreement if Franchisee or such Franchisee Principal relinquishes or otherwise enters into an agreement to dispose of its ownership interest in the Franchise (pursuant to Section 14 of this Agreement) within thirty (30) days following the conviction or plea or criminal misconduct, and completes such transaction within one hundred and eighty (180) days from such conviction or plea or criminal misconduct;

15.1.4 Makes an unauthorized Transfer or Assignment of this Agreement, the Franchise, or ownership of Franchisee;

15.1.5 Makes any intentional material unauthorized use of the Marks, Operations Manual, Confidential Information, or other copyright protected or proprietary materials, or trade/business information concerning TG operations;

15.1.6 Has made any material misrepresentations or misstatements on the application for Franchise, Franchise renewal, Transfer, Assignment, or with respect to the ownership or operation of the Franchise;

15.1.7 Violates the non-compete provisions or materially violates any confidentiality portions of this Agreement; or

15.1.8 Has committed any default under Section 15.2 at least three (3) times during any five-year period during the term of this Agreement, regardless if Franchisee has cured such defaults.

15.2 *TERMINATION AFTER NOTICE AND OPPORTUNITY TO CURE.* TG may terminate this Agreement and the Franchise granted by it if Franchisee commits and fails to correct any of the following defaults after TG provides Franchisee notice and a thirty (30) day cure period:

15.2.1 Fails to have the Franchise open and in operation within ninety (90) days of completion of training as required by Section 5.2 above;

15.2.2 Fails to remit or allow TG to collect all Client payments within seven (7) to ten (10) calendar days of Franchisee receipt for processing by TG;

15.2.3 Fails to pay the Minimum Royalty Requirement or the required General Marketing Fee;

15.2.4 Fails to immediately report to TG any and all incidents related to the Franchise that might lead to legal action against either TG or Franchisee;

15.2.5 Fails to maintain adequate records as required in the Manual;

15.2.6 Fails to pass Quality Reviews by TG for adherence to the policies, procedures, rules, and/or guidelines as set forth in the Manual and applicable local, state, and federal regulations or fails to provide a Corrective Action Plan within thirty (30) days of Franchisee's receipt of a Notice of Deficiency;

15.2.7 Fails to adhere to any material provision of this Agreement or any specification, standard, or operating procedures prescribed by TG;

15.2.8 Fails to operate the Franchise in accordance with any federal, state, county, or local laws; or

15.2.9 Makes any unauthorized use of the Marks, Manual, Confidential Information, or other copyright protected or proprietary materials, or trade/business information concerning TG operations.

15.3 *STEP IN RIGHTS.* In addition to TG's right to terminate this Agreement, and not in lieu of such right, or any other rights TG may have against Franchisee, upon a failure to cure any default within the applicable time period (if any), TG has the right, but not the obligation, to exercise complete authority with respect to the operation of the Franchise, including the right to enter upon the Franchise's office, if applicable, until such time as TG determines, in its Reasonable Discretion that the default has been cured, and Franchisee is otherwise in compliance with this Agreement. In the event TG exercises the rights described in this Section, Franchisee must reimburse TG for all reasonable costs and overhead, if any, incurred in connection with its operation of the Franchise including costs of personnel for supervising and

staffing the Franchise and their travel and lodging accommodations. If TG undertakes to operate the Franchise pursuant to this Section, (i) Franchisee agrees to indemnify and hold TG (and TG's representative(s) and employee(s) harmless from and against any fines, claims, suits, or proceedings commenced by any third-party unaffiliated with Franchisor that arise out of events occurring during Franchisee's operation of the Franchise prior to Franchisor's operation of the Franchise, regardless of when such fine, claim, suit, or proceeding is asserted, and (ii) Franchisor agrees to indemnify and hold Franchisee (and Franchisee's representative(s) and employee(s) harmless from and against any fines, claims, suits, or proceedings commenced by any third-party unaffiliated with Franchisee that arise out of events occurring during Franchisor's operation of the Franchise.

16. OBLIGATIONS ON TERMINATION OR EXPIRATION

16.1 POST-TERMINATION OBLIGATIONS. Upon Termination for cause or without cause, refusal, decision, or failure to renew or extend the Franchise Agreement, whether by the Franchisee, TG, or Expiration of the Franchise Agreement, Franchisee is obligated within (unless otherwise specified) twenty (20) days to:

16.1.1 Remit to TG all outstanding member payments and/or collection receipts for processing within seven (7) calendar days of receipt;

16.1.2 Agree to continue remittance of all revenues within seven (7) calendar days of receipt for the duration of Franchisee's continued receipt of Franchise revenues;

16.1.3 Return to TG all Confidential Information (as defined in Section 10.1) then in the possession or control of the Franchisee;

16.1.4 Turn over to TG, or a designated TG agent, a copy of all Franchise records and Joint Confidential Information, including but not limited to Group Chair files, phone lists, referral sources marketing information, Rolodexes, databases, software copies, member files, Customer files, employee records, accounting records, and correspondence; provided, however that Franchisee may retain such records as necessary to comply with applicable legal requirements;

16.1.5 Ship all branded office supplies, printed forms, stationery, banners, stamps, marketing materials, and software to TG;

16.1.6 Take such action as may be required to cancel all assumed names or equivalent registrations relating to the use of any name or mark of or associated with the Franchise and to notify the telephone company and listing agencies of the termination, expiration, or transfer of Franchisee's right to use all telephone numbers and all classified or other directory listings of the Franchise and direct the telephone company to transfer all such numbers and listings to Franchisor or Franchisor's designee pursuant to the Conditional Assignment of Telephone Numbers or, if Franchisor directs, to disconnect the numbers;

16.1.7 If the operation of the Franchise is to be continued by TG or another franchisee at the same location, to turn over the lease for the premises together with receipts for payments through the date of Termination and all keys pursuant to the terms of the Collateral Assignment of Lease; provided, however, that if Franchisee or an affiliate of Franchisee owns the premises it shall lease such premises to TG or such franchisee at fair market value. Otherwise, Franchisee shall retain the lease and all obligations related to it, including but not limited to, arranging for its cancellation and the payment of any penalties that might result, or the subletting of the premises if feasible. TG retains the right to determine in its Reasonable Discretion whether to seek to continue the lease;

16.1.8 Disclose all leases, contracts, purchase orders, service agreements, or other contracted-for items or services that will have ongoing financial consequences to the Franchise. TG retains the right, in its Reasonable Discretion, to determine the viability of retaining available rights under the

various documents or understandings, if any, and Franchisee will be responsible for discharging any outstanding contract(s) or understanding(s) that TG specifies is/are to be so discharged prior to Termination;

16.1.9 Discharge through date of Termination all outstanding bills, debts, obligations, contracts, leases, purchase orders, service agreements, and/or understandings not specifically retained by TG;

16.1.10 Cease doing business under TG's names and Marks and comply with all non-disclosure and non-competition covenants in Sections 10.1 and 17.2 hereof; and

16.1.11 Irrevocably appoint TG as Franchisee's attorney-in-fact to execute in Franchisee's name and on Franchisee's behalf all documents necessary to discontinue Franchisee's use of the Marks and the Confidential Information.

16.2 *OPTION TO TRANSFER IN LIEU OF TERMINATION.* TG and Franchisee agree that, notwithstanding Section 16.1, in the event that the parties hereto agree on a Corrective Action Plan prior to the effective date of Termination or Expiration of this Agreement, Franchisee shall have up to one hundred eighty (180) days from the date of their agreement in the Corrective Action Plan (or such longer time as the parties mutually agree in writing) to complete the Transfer agreed upon in such plan.

16.3 *REVERSION OF BUSINESS TO TG.* Upon the Termination or Expiration of the Franchise by TG for any cause other than Transfer to another TG franchisee or third party, all assigned Territory and Franchise operations will immediately revert to TG and Franchisee shall turn over to TG a copy of the complete Franchise records on TG's demand for same, including but not limited to, Trustegrity® Business Chair files, referral source records, employee records, Customer records, member records, and financial records; provided, however that Franchisee may retain such records as necessary to comply with applicable legal requirements.

16.4 *OPTION TO PURCHASE PERSONAL PROPERTY.* Upon the Termination or Expiration of this Agreement, TG, or TG's designee shall have the right, but not the obligation, to be exercised by notice of intent to do so within sixty (60) days after Termination or Expiration, to purchase any or all physical assets of the Franchise, including furniture, fixtures, equipment, supplies, and other inventory, advertising materials, and all items bearing the Marks, at fair market value with no allowance for goodwill. If the parties cannot agree on fair market value within ninety (90) days, the determination of an independent appraiser designated jointly by TG and the Franchisee shall be binding, and the cost of any such appraisal shall be shared equally between TG and Franchisee. If TG elects to exercise any option to purchase, as herein provided, it shall have the right to set off all amounts due from Franchisee under this Agreement, if any, against any payment therefore and the Franchisee's share of the cost of the appraisal, if any. All items to be purchased by TG, if any, shall be free and clear of any and all liens, judgments, claims, or the like. If TG exercises its option to purchase, pending the closing of such purchase, TG has the right to appoint a manager to maintain operation of the Franchise. Franchisee is required to maintain in force the lease for the Franchise, if applicable, required under this Agreement until the date of such closing. TG has the unrestricted right to assign this option to purchase the assets of the Franchise.

17. NON-COMPETITION & NON-SOLICITATION OBLIGATIONS

17.1 *IN-TERM NON-COMPETITION AND NON-SOLICITATION COVENANTS.* Franchisee shall not, during the term of this Agreement, act as an owner, partner, director, officer, employee, consultant, salesperson, representative, advisor, agent, or otherwise assist in any other capacity any agency, registry, office, or other business supplying, in whole or in part, any service competitive with the Services (hereinafter known as "Competitive Services"). During the term of the Franchise Agreement, Franchisee shall not, either on Franchisee's own account or for any person, firm, partnership, corporation, proprietorship, or other entity, directly or indirectly (i) solicit, interfere with, induce, attempt to induce, or endeavor to cause any employee,

agent, franchisee, vendor, Client, Customer, account, Trustegritty® Business Chair, or referral source of Franchisee and/or TG to terminate his or her relationship with TG or (ii) do business with any third party that is a competitor with TG.

17.2 *POST-TERM NON-COMPETITION AND NON-SOLICITATION COVENANTS.* During the term of and for a period of two (2) years after the Termination, Expiration or Transfer of this Agreement, subject to applicable law, Franchisee shall not:

17.2.1 Act as an owner, partner, franchisee, officer, employee, consultant, salesperson, representative, advisor, agent, or in any other capacity in any agency, registry, office, or other business supplying Competitive Services (i) within the Territory, or (ii) within fifty (50) miles of (a) boundary of the Territory being granted hereunder or (b) any other franchisee or company owned territory licensed or operated by TG as of the date of Expiration, Transfer, or Termination of this Agreement; or

17.2.2 Solicit any Client or Customer to whom Franchisee provided any Service under this Agreement during the one (1) year prior to the Termination, Expiration, or Transfer of this Agreement for any competitive business purpose. Notwithstanding the foregoing, Franchisee may, after the Transfer, Termination, or Expiration and non-renewal of this Agreement, use local contacts developed while operating the Franchise, including referral sources, provided such use is not for a competitive business purpose and otherwise does not violate the terms of Section 17.2.

17.3 *PRINCIPALS', SIGNIFICANT OTHER AND FAMILY PRINCIPALS AND PERSONAL GUARANTY.* If Franchisee is an entity, then all of Franchisee's owners, stockholders, shareholders, members, partners, board of director members, and officers shall execute the Personal Guaranty attached hereto as Attachment 5. ~~CONFIDENTIALITY & NON-COMPETITION AGREEMENTS.~~ In the event Franchisee Transfers this Agreement to an Entity pursuant to Section 14.9 of this Agreement, Franchisee shall require each of the Entity's owners, stockholders, shareholders, managers, members, partners, board of director members, and officers to sign a Confidentiality & Non-Competition Agreement in the form attached hereto as Attachment 4 upon becoming an owner or being associated with the Entity. ~~Franchisee shall also obtain a Confidentiality & Non-Competition Agreement from each of Franchisee's adult Family Members who have any involvement in the Franchise or access to the records and materials of the Franchise, including but not limited to the Operations Manual.~~

17.4 *TRUSTEGRITY® BUSINESS CHAIRS' AGREEMENTS.* If applicable law or regulations allow, Franchisee shall have all Trustegritty® Business Chairs sign a Client non-interference, non-solicitation, non-disclosure agreement prior to being added to Franchisee's registry.

17.5 *CONTACT WITH PROSPECTS.* If at any time during the term of the Agreement, Franchisee comes into contact or communication with a franchise candidate, for instance Franchisee is contacted by the prospective franchisee candidate during that prospective franchisee candidate's validation process, Franchisee agrees that Franchisee will not solicit that candidate to purchase the Franchise or its assets without advance written permission of and involvement with TG. In the event of such a sale of the Franchise, Franchisee agrees to assume full liability for any and all broker commissions or referral fees associated with the prospective franchisee candidate's subsequent purchase, if any.

18. RELATIONSHIP AMONG THE PARTIES & INDEPENDENT CONTRACTOR

18.1 *INDEPENDENT CONTRACTOR.* Franchisee is and shall be considered an independent contractor with entire ownership, control, and direction of the Franchise and its operations, subject only to the conditions and obligations established by this Agreement, the attachments and the Manual. Franchisee is responsible for and shall have full control over the internal management and daily operation of the Franchise and neither party to this Agreement is the agent, principal, partner, employee, employer, joint employer, or joint venture partner of the other party. Franchisee may not act or represent itself, directly or

by implication, as TG's agent, partner, employee, or joint venture partner, and Franchisee may not incur any obligation on TG's behalf or in TG's name. Contractual agreements entered into by Franchisee shall contain Franchisee's corporate or fictitious name. Nothing in this Agreement authorizes Franchisee to make any contract, agreement warranty, or representation on TG's behalf, or to incur any debt or other obligation in TG's name; and TG shall in no event assume liability for, or be deemed liable hereunder as a result of, any such action; nor shall TG be liable by reason of any of Franchisee's acts or omissions in the operation of the Franchise or for any claim or judgment arising therefrom against Franchisee or TG. Franchisee acknowledges and agrees that Franchisee has the sole authority to make all personnel and employment decisions for the Franchise, including, without limitation, decisions related to hiring, training, firing, discharging disciplining, and supervising employees, including setting their wages and hours of employment, record-keeping, and providing any benefits. TG shall have no direct or indirect authority or control over any employment-related matters for Franchisee's employees.

18.2 CONSULTATION WITH FRANCHISEE REPRESENTATIVE GROUP. TG agrees to consult on a periodic basis with respect to the matters of mutual interest with any Franchisee Association—i.e., any representative group of owners consisting of more than fifty percent (50%) of the owners that have been operating TG Businesses for more than two years. Franchisee agrees that TG may consult with and consider the advice of any such group, but that TG is not bound by its views. TG may from time to time require that any such group of TG Franchisees demonstrate to our reasonable satisfaction that it meets the above-described qualifications, and TG shall have no obligation to recognize any such group that has failed or refused to so demonstrate its qualifications. Nothing contained in this Section 18.2 shall be deemed to prohibit or restrict TG from establishing and interacting with any elected or appointed franchisee advisory board or council that qualifies as a representative franchisee group as described above, and Franchisee acknowledges that as of the date hereof, TG has not established a franchisee advisory council (referred to as the "FAC").

19. DISPUTE RESOLUTION/MEDIATION/ARBITRATION

19.1 EARLY DISPUTE RESOLUTION. TG and Franchisee recognize that each has placed faith in the other's capacity to execute the Trustegritty® System and that sometimes in the course of the franchise term, TG and Franchisee may have fundamental disagreement concerning the Trustegritty® System and its direction. Although TG and Franchisee acknowledge that TG is the chief steward of the Trustegritty® System, TG recognizes that it or a franchisee may wish to end the Franchise Relationship before the Expiration of its term. In that event, TG and Franchisee pledge that each shall be forthright and candid with each other in an effort to end the relationship without resort to formal or adverse proceedings, and shall explore various potential resolutions of their relationship including, but not limited to, voluntary sale of Franchisee's business to a new franchisee, repurchase of Franchisee's business by TG, and purchase by Franchisee of TG's contract rights under this Agreement. In the event that TG or Franchisee has a claim or dispute with the other, or with any affiliates of each other, that arise under, or relate to, this Agreement, any other agreement between them, the relationship between them, or their respective rights and obligations, then TG or Franchisee shall provide the other party to this Agreement with a notice with the basis for such claim or dispute to the other party, along with proposed dates (that fall within thirty (30) days of such notice) for both TG and Franchisee to meet in person and to discuss such claim or dispute. The parties shall continue to seek to resolve such claim or dispute for an additional thirty (30) days, or such longer period as they shall mutually agree on. If they fail to resolve such claim or dispute within the sixty (60) day period from the date of the notice of such claim or dispute, then either party may pursue mediation and arbitration as described in Sections 19.2 and 19.3 hereof, respectively.

19.2 MEDIATION AS NEXT STEP IN DISPUTE RESOLUTION. TG and Franchisee also recognize that sometimes claims or disputes arise that should not result in either of them seeking to end the Franchise Relationship. In that event, TG and Franchisee pledge that each shall be candid and forthright

with each other in an attempt to resolve any such claims or disputes. Unless the parties otherwise agree, prior to proceeding to arbitration as provided in Section 19.3, either party shall have the right to submit to mediation claims or disputes between them, or any affiliates of either, that arise under, or relate to, this Agreement, any other agreement between them, the relationship between them, or their respective rights and obligations. Mediation must occur in Atlanta, GA, under the mediation rules of the American Arbitration Association then in effect, unless TG and Franchisee then agree otherwise in writing. TG and Franchisee shall bear their own costs of mediation (e.g., lawyers, and similar expenses) and TG and Franchisee shall equally share mediation expenses (e.g., mediator fee, room expense, and similar expenses); provided, however, that TG shall reimburse Franchisee for fifty percent (50%) of (a) the economy travel costs and (b) up to one (1) day of lodging for up to two (2) principals of Franchisee for any mediation in Atlanta, GA; and that Franchisee shall reimburse TG for fifty percent (50%) of (a) its economy travel costs, and (b) one (1) day of lodging up to two (2) principals of TG for any mediation in the Territory. This agreement to mediate shall survive any Termination or Expiration of this Agreement. The parties agree that any mediation shall only be between TG and Franchisee, and that neither will seek to join any other franchisee, or any group or class of franchisees, to the mediation, even if the disputes of other proposed participants are similar, unless the parties otherwise agree.

19.3 *ARBITRATION.* TG and Franchisee also recognize that sometimes claims or disputes arise that are so fundamental that either of them may seek to have a third party decide the claims or disputes. In that event, TG and Franchisee agree that neither shall sue the other in a court (except as provided in Section 19.4.1), and that both must only submit claims or disputes between them to arbitration for resolution as this Section 19.3 provides. Accordingly, TG, Franchisee and its affiliates, owners, and principals agree that all disputes, controversies, claims, or demands by one against the other shall be submitted to one arbitrator in Atlanta, GA, under the arbitration rules of the American Arbitration Association then in effect, unless TG and Franchisee then agree otherwise in writing. TG and Franchisee shall bear their own costs of arbitration (e.g., lawyers and similar expenses) and TG and Franchisee shall equally share arbitration expenses (e.g., arbitrator fee, room expense, and similar expenses); provided, however, that TG shall reimburse Franchisee for fifty percent (50%) of (a) the economy travel costs and (b) up to five (5) days of lodging for up to two (2) principals of Franchisee for any arbitration in Atlanta, GA and that Franchisee shall reimburse TG for fifty percent (50%) of (a) its economy travel costs, and (b) up to five (5) days of lodging up to two (2) principals of TG for any arbitration in the Territory. This agreement to arbitrate shall survive any Termination or Expiration of this Agreement. The parties agree that any arbitration shall only be between TG and Franchisee, that neither will seek to join any other franchisee, or any group or class of franchisees to any arbitration, even if the disputes of other proposed participants are similar, unless the parties hereto otherwise agree.

19.4 *OTHER IMPORTANT PROVISIONS APPLYING TO TG AND FRANCHISEE.*

19.4.1 Both TG and Franchisee may seek from any court having personal and subject matter jurisdiction a writ of attachment, temporary injunction, preliminary injunction, and/or other emergency relief to safeguard and protect their respective non-economic interests, including but not limited to trademark rights, rights under restrictive covenants, confidentiality rights, any matter involving health or safety of any Customer or Group Chair, or state licensure.

19.4.2 Both TG and Franchisee waive, relinquish, and give up any right to demand a jury trial of any dispute between them to avoid the delay of a jury trial and to facilitate the prompt and expeditious resolution of any claims or disputes between them.

19.4.3 Both TG and Franchisee agree that the Northern District of Georgia shall be the only venue in which either of them may file suit against the other, and both agree irrevocably to personal jurisdiction within the District.

19.4.4 Both TG and Franchisee agree that neither shall withhold any payment to the other, nor set aside such monies in an escrow account, on the grounds of alleged nonperformance or as an offset against any amount allegedly due the other.

19.4.5 Both TG and Franchisee agree that each shall promptly bring to the attention of the other, and shall promptly seek resolution of, any claims or disputes arising under or relating to this Agreement or their relationship; neither wishes claims and disputes to linger, and both value the positive impact of timely addressing and resolving claims and disputes. Accordingly, both TG and Franchisee agree that neither shall bring a claim or dispute against the other after two (2) years has expired from the act or transaction, or failure to act or omission, alleged to result in harm or injury to the other; provided that if the act or transaction, or failure to act or omission, alleged to result in harm or injury to the other was fraudulently concealed, TG and Franchisee agree that neither shall bring a claim or dispute against the other more than two (2) years after the injured party's discovery of the act or omission that was fraudulently concealed.

19.4.6 Both TG and Franchisee agree that neither shall seek punitive or exemplary damages against the other unless specifically provided by statute.

19.4.7 Both TG and Franchisee agree that, in the event of arbitration and an arbitration award that identifies a prevailing party, that party shall be entitled to reasonable attorneys' fees and costs attributable to that portion of any arbitration award on which the party has prevailed.

20. NO WARRANTY BY TG

20.1 *INDEPENDENT BUSINESS.* Franchisee understands that the success of the franchise undertaken by Franchisee hereunder depends largely upon the ability and efforts of the franchisee and its Principals, to operate as independent businesspersons. Franchisee expressly disclaims receipt of any warranty, express or implied, or of any claim or representation as to the potential successor profitability of the business venture herein contemplated, in making the business venture profitable without substantial effort, risk, and work by Franchisee and/or its Principals, if any.

20.2 *FRANCHISEE ACKNOWLEDGEMENTS.* Franchisee acknowledges entering into this Agreement after making a thorough and independent investigation of TG and not by virtue of any representations as to levels of revenue or profits that franchisee might be expected to realize. Franchisee acknowledges that no person has made any other representation that is not expressly set forth herein or in the Franchise Disclosure Document provided to Franchisee with this Agreement in order to induce Franchisee to purchase this Franchise and execute this Agreement. Franchisee further acknowledges that it has: (i) received and evaluated all documents and information that the Franchisee has deemed appropriate and necessary; and (ii) had sufficient time and opportunity to consult with its own financial, legal, and other professional advisors with respect to this Agreement and the activities contemplated by this Agreement, and based on such review and consultation with the Franchisee's own advisors, has independently and without reliance upon Franchisor, made its own decision to enter into this Agreement.

20.3 *ADDITIONAL ACKNOWLEDGMENTS.* Franchisee acknowledges and agrees that (1) the regulation of employees and independent contractors is subject to change from time to time under federal and/or state law; (2) states have varying requirements for employees and independent contractors (including, without limitation, requirements related to workers' compensation, unemployment insurance, and state taxes); (3) such requirements may affect the categorization of the employees' and independent contractors' relationship for federal and/or state law purposes; (4) TG will provide Franchisee with information and reasonable training to facilitate Franchisee's mandatory compliance with such laws, based upon TG's reasonable business judgment; and (5) Franchisee acknowledges that such mandatory compliance may differ among franchisees in the System in different states.

21. MISCELLANEOUS

21.1 *REPRESENTATIONS AND WARRANTIES.* Franchisee and its Principals represent and warrant to TG that: (a) neither Franchisee nor any of its Principals have made any untrue statement of any material fact nor omitted to state any material fact in obtaining the rights granted herein; (b) neither Franchisee nor any of its Principals have any direct or indirect legal or beneficial interest in any business that may be deemed a competitive business, except as otherwise completely and accurately disclosed in the Franchise application materials; (c) Franchisee and its Principals have a legal right to own and operate the Franchise; and (d) neither Franchisee nor its Principals have been designated as suspected terrorists under U.S. Executive Order 13224, or any similar anti-terrorism law. Franchisee recognizes that TG approved Franchisee in reliance on all of the statements Franchisee and its Principals have made in connection therewith, and that Franchisee has a continuing obligation to advise TG of any material changes in these statements and representations made to TG in this Agreement or in the Franchise application materials.

21.2 *ENTIRE UNDERSTANDING OF THE PARTIES.* This Agreement contains the entire understanding of the parties and no representations, inducements, promises, or agreements, oral or otherwise, between the parties not embodied herein shall be given any force or effect. Nothing in this Agreement or in any related agreement is intended to disclaim the information provided by TG in the TG Franchise Disclosure Document.

21.3 *ENFORCEMENT & SEVERABILITY*

21.3.1 This Agreement shall be binding on the parties hereto and their permitted heirs, successors, and assigns. Only the Agreement itself is binding upon the parties (subject to state law); any other promises may not be enforceable. This Agreement may only be amended in writing and with the consent of both parties hereto.

21.3.2 No partial or complete failure by TG to exercise any of its rights or powers hereunder or failure to demand strict compliance by Franchisee with any term, condition, covenant, or other obligation hereof, and no practice of the parties at variance with the terms hereof, shall constitute a waiver of TG's rights to demand exact compliance with the terms hereof or preclude TG from exercise of any right or remedy. Each and every right or remedy granted to TG under this Agreement or under any other agreement, instrument, or document, or at law or in equity, shall be deemed cumulative and may be exercised from time to time. Any waiver of a default hereunder shall be in writing and shall not operate as a waiver of any other default or the same default on a future occasion.

21.3.3 If any covenant or other provision of this Agreement is invalid, illegal, or incapable of being enforced, by reason of any rule of law, administrative order, judicial decision, or public policy, all other conditions and provisions of this Agreement shall, nevertheless, except as hereinafter expressly set forth, remain in effect, and no covenant or provision shall be deemed dependent upon any other covenant or provision unless so expressed herein. The parties hereto agree and consent that the court or other body making such determination shall reform such covenant, term, condition, or other provision of this Agreement so as to render the same enforceable to the fullest extent permitted by law. Notwithstanding anything set forth in this paragraph, if TG determines the unenforceability of any provision affects its basic consideration with respect to the Agreement, TG shall have the right to terminate this Agreement.

21.4 *HEADINGS.* All headings in this document are intended for ease of reference only and are not to be construed otherwise.

21.5 *FORCE MAJEURE.* Neither party shall be deemed in default of this Agreement if its delay in performance or failure to perform any of its obligations hereunder arises from a cause that is beyond the reasonable control of the party preventing it from performing, including labor strikes, transportation delays, mechanical or electronic equipment breakdowns, power failures, acts of terrorism, and acts of God;

provided, however, that this provision shall not relieve Franchisee from the obligation with reasonable accommodation to pay fees and other monies payable to TG as required hereunder, including under Section 4 hereof.

21.6 *DEFINED TERMS.* The defined terms listed in Attachment 1 are hereby incorporated into this Agreement and made a part hereof. To the extent that any definition in Attachment 1 is inconsistent with the definition used in this Agreement, the definition in the body of the Agreement shall govern.

21.7 *NOTICES.* All notices hereunder shall be in writing and shall be personally delivered by any means that affords the sender evidence of delivery or rejected delivery, including private delivery or courier service (but not electronic communication such as e-mail). Any notice to TG shall be addressed to its headquarters and any notice to Franchisee shall be addressed to the business address of the Franchisee, or at such other address as the parties designate by written notice to the other party. Any notice by a means that affords the sender evidence of delivery or rejected delivery shall be deemed to have been given and received at the date and time of receipt or rejected delivery.

21.8 *CHOICE OF LAW.* The provisions of this Agreement shall be governed by and construed in accordance with the internal laws of the State of Georgia unless otherwise specified and without reference to conflicts of law principles.

21.9 *COUNTERPARTS.* This Agreement is executed in counterparts with an original given to each party for their respective records and files.

[Signature on the following page]

IN WITNESS WHEREOF, intending to be legally bound hereby, the parties hereto have set their hands and seals as of the date below. The Effective Date for this Agreement shall be the date Franchisor executes this Agreement.

FRANCHISEE:

Signature: _____
Name: _____
Date: _____
Title: _____
Address: _____

E-mail: _____
Telephone: _____
Fax: _____
Cell: _____

FRANCHISOR:

Connect, Confide, and Collaborate LLC
d/b/a Trustegrity® Global

BY: _____
David Alexander, President & CEO / Manager
Date: _____
4778 Ellington Court
Marietta, GA 30067
T: 800-878-1976 F: 678-888-0203
E: david@trustegrity.com

Attachment 1

Definitions

1. **Abandon**—Any conduct, intentional or otherwise, which results in the Franchise failing to operate for a period of seven (7) to ten (10) calendar days without Franchisor's prior written approval.
2. **Agreement**—This Franchise Agreement.
3. **Assignment**—The sale, assignment, transfer, conveyance, pledge, merging, or giving away of fifty percent (50%) or less of any direct or indirect interest in this Agreement or in Franchisee.
4. **Brand Standards**—The standards that TG requires for the goods and services offered under the System by Franchisee and that are associated with the Marks, as TG determines in its Reasonable Discretion and publishes in the Manual or otherwise in writing from time to time.
5. **Business Continuity Plan**—An annual written document plan to be prepared by Franchisee for emergency planning.
6. **Customer**—A customer receiving Services.
7. **Client**—A customer paying for Services on behalf of a Customer.
8. **Common Mission**—Defined in Section D. of the Recitals.
9. **Confidential Information**—Defined in Section 10.1.
10. **Cooperative**—A regional advertising and promotional cooperative.
11. **Corrective Action Plan**—A written plan (1) submitted to TG by Franchisee for correcting each deficiency TG lists in a Notice of Deficiency or (2) agreed upon in writing with TG for a Transfer of the Franchise within a specified time period, in lieu of Franchisee's curing TG's notice of default to Franchisee.
12. **Effective Date**—The date of TG's execution of this Agreement as reflected on the signature page of this Agreement.
13. **Expiration**—The end of the term of this Agreement, after which the Franchisee has no continued right to operate the business. TG reserves the right to extend the term of the Agreement in its Reasonable Discretion.
14. **FAC**—TG's Franchisee Advisory Council.
15. **Family Member**—A Franchisee's spouse or partner, adult children, parents, and/or siblings who have any involvement in the Franchise or access to the records and materials of the Franchise, including but not limited to the Operations Manual.
16. **Franchise**—The TG Business operated by Franchisee under this Agreement.
17. **Franchise Relationship**—The relationship between a Franchisee and TG under this Agreement.
18. **Franchisee Association**—Any representative group of owners consisting of more than fifty percent (50%) of the owners that have been operating TG Businesses for more than two years. As of January 1, 2018, no group meets this definition and is the current Franchisee Association.
19. **Franchisee**—The adult individual(s) named on the signature page of this Agreement.
20. **Franchisee Entity**—A legal entity such as a corporation, partnership, or limited liability company formed by a Franchisee.

21. **Franchisee Indemnites**—Defined in Section 13.
22. **Franchisee Indemnitor**—Defined in Section 13.
23. **Franchisee Liabilities** - Defined in Section 13.
24. **Franchisee’s Principals**—A Franchisee’s shareholders, partners, or members with ownership interests in the Franchise.
25. **Franchisor or TG**—Connect, Confide, and Collaborate LLC d/b/a Trustegritty® Global.
26. **Franchisor Indemnites**—Defined in Section 13.
27. **Franchisor Indemnitor**—Defined in Section 13.
28. **Franchisor Liabilities**—Defined in Section 13.
29. **Full Employment Business Model**—The Business Model utilized by TG Businesses in which Franchisees directly contract with or hire Trustegritty® Business Chairs to provide Services to Customers.
30. **General Marketing Fee**—A monthly fee payable by Franchisee to the General Marketing Fund as described in 12.2.1.
31. **General Marketing Fund**—A fund to which Franchisees pay a General Marketing Fee, which is maintained and administered by TG to develop branded marketing programs and tools to support and promote the Franchisee Services and Services in venues such as online, print, and public relations forums or as otherwise provided this Agreement.
32. **Gross Profit**—All payments received by Franchisee from members, related to any Franchisee Services provided by the Franchise.
33. **TG Business**—A Trustegritty Global franchised business offering the Services and using the Systems and Marks within a designated territory.
34. **TFA** - Trustegritty® Franchise Association, an organization that may be formed.
35. **Trustegritty® Business Chair**—A carefully screened, credentialed individual that provides Services to Customers
36. **Guiding Principles**—Franchisee should respect TG’s ownership of the System, including the Marks, trade secrets, Confidential Information, and the associated goodwill, and TG’s rights to determine the nature and quality of the products and services sold under the Marks, to control the manner in which the Marks are used and to enforce System standards. TG should respect Franchisee’s interest in the going concern value of the Franchise.
37. **Initial Franchise Fee**—The initial fee payable by Franchisee to TG on execution of this Agreement, as described in Section 4.1 of this Agreement, and specified in Attachment 3 of this Agreement.
38. **Letter of Intent**—A written document from the Franchisee provided to TG setting forth the price, payment terms, and other material contract terms Franchisee will accept in connection with its proposal to Transfer of the Franchise to a third party.
39. **Local Lift-Off Program**—TG’s program for Franchisees, designed to assist Franchisee in its initial development of the Franchise in the Territory.
40. **Local Lift-Off Program Fee**—The amount that Franchisee is required to pay TG in connection

with the Local Lift-Off Program as specified in Section 4.2 of the Agreement.

41. **Local Marketing Requirement**—Defined in Section 12.3.
42. **Manual**—The Manual consist of the TG’s Operations Manual, State Compliance Manual, and any other Manual.
43. **Marks**—The “TRUSTTEGRITY®” name, logo, and such other trademarks, trade names, service marks, logos, insignia, trade dress, and designs now existing or which may be designated by TG for use in the future.
44. **Minimum Royalty Requirement**—The minimum amount of Royalties payable to TG under this Agreement as described in Section 4.3.1.
45. **Notice of Deficiency**—The Notice detailing deficiencies that TG issues Franchisee in the event that a Franchisee fails to satisfactorily pass any Quality Review.
46. **Opening Date**—The date the Franchisee commences business operations, by conducting referral source marketing, Group Chair recruiting, and/or servicing members.
47. **Operations Manual**—Manual containing key information about the TG System, including various required and recommended policies, procedures, rules, and guidelines promulgated from time to time by TG, the federal government, and other obligations of the Franchisee under the Franchise Agreement, TG’s System, and the operation of the Franchise.
48. **Principals**—A Franchisee’s shareholders, partners, or members with ownership interests in the Franchise.
49. **Quality Reviews**—The periodic reviews TG conducts on the Franchisee’s operations, focusing on office procedures, records, and file contents, including interviews with staff, members, Customers, and Trustegrity® Business Chairs. Quality Reviews may include the “monitored or recorded for quality assurance purposes” telephone calls to members or Customers.
50. **Reasonable Discretion**—Franchisor’s “Reasonable Discretion” as used in this Agreement means the exercise of any discretion afforded by this Agreement in a manner consistent with the reasonable business judgment of TG and the Guiding Principles in the recitals.
51. **Reasonable Discretion with Consultation**—Franchisor’s “Reasonable Discretion with Consultation” as used in this Agreement means to exercise any discretion afforded by this Agreement in a manner consistent with the reasonable business judgment of TG, and to consult on a periodic basis with respect to the matters of mutual interest with any Franchisee Association.
52. **Regional/National Contracts**—Any national or regional contracts with third-party payer, large scale, or multi-territory referral contracts that afford TG offices, among other things, an expanded referral network and Client base.
53. **Registry Business Model**—The Business Model utilized by TG Businesses in which Franchisees identify and refer Trustegrity® Business Chairs to members to provide Services.
54. **Royalty**—The percent of Gross Profit or minimum amount(s) payable to TG under this Agreement as described in Section 4.3.1.
55. **Services**—Services, defined in the Recitals and Franchisee Services.
56. **Sole Discretion**—The term “sole discretion” with respect to any determination to be made by a party under this Agreement shall mean the sole and absolute discretion of such party, without regard to any standard of reasonableness or other standard by which the determination of such party might

be challenged.

57. **System**—TG’s proprietary business system under which (1) Franchisees identify peoplebusiness professionals with interest in ~~need of peer advisory and~~ assistance, and match them with Trustegrity® Business Chairs, groups, and coaches, who provide Services to athe Customer and (2) provide consultation to members and/or Customers on an ongoing basis consistent with the Business Model approved in the Franchisee’s Territory, and respecting applicable law.
58. **Technology Fee**—The software fee and the continuing software fees payable by Franchisee to TG as described in Attachment 3.
59. **Termination**—The ending of this Agreement prior to the completion of its term, after which the Franchisee has no continued right to operate the Franchise.
60. **Territory**—The identified geographic area specified in Attachment 2 of this Franchise Agreement, within which Franchisee must operate the Franchise under the terms and conditions of this Agreement, and in which TG agrees that it will not establish, or license any other person to establish, another Franchise authorized to provide Franchisee Services.
61. **Territory Name**—The name for Franchisee’s Territory as agreed upon at signing and designated in Attachment 2 of this Agreement.
62. **Transfer**—The sale, assignment, transfer, conveyance, pledge, merging, or giving away of more than fifty percent (50%) of any direct or indirect interest in this Agreement or in Franchisee, or in all or substantially all of the assets of the Franchise.
63. **Transfer Fee**—The fee payable to TG by the Franchisee in connection with any Transfer of franchisee ownership.
64. **Unassigned Territory**—An area which is not assigned to any franchisee for the provision of Services.

Attachment 2

**Franchise Territory Description, Name & Map
(see attached map and description)**

Attachment 3

Initial Investments, Discounts, Other Payments, and Principal's Ownership

Initial Franchise Investment: \$15,300.00 (the "Initial Franchise Investment")

Initial Franchise and Additional Fees Breakdown: \$10,000 to be paid upon execution of this Agreement (the "First Payment") to include \$2,800.00 of the \$15,300.00 franchise fee and the training fee of \$3000.00 as well as the local lift off fee of \$3000 and the first six months technology fee of \$1200.00 (See fees under Additional Fees below), with the remaining \$12,500.00 of the \$15,300.00 Initial Franchise Investment, to be paid in two (2) installments of \$6,250.00 each (the "Installments"). The first of the two installments will be in the amount of \$6,250.00 of the Initial Franchise Investment and shall be paid 90 days immediately following the execution of this agreement. The second of the two installments will be in the amount of \$6250.00 to include the remaining \$6,250.00 of the \$15,300 Initial Franchise Fee and shall be paid 180 days immediately following the execution of this agreement.

First and Installment Payments Breakdown:	Due:
First Payment of \$10,000.00 includes \$2,800.00 of Initial Franchise Fee and Additional Fees of \$7,200.00	Upon execution of Franchise Agreement and paid not later than 14 days prior to attending Trustegrity® Academy Training
First Installment equals and includes \$6,250.00 of Initial Franchise Fee	Upon execution of Franchise Agreement and paid not later than 90 days following execution of Franchise Agreement
Second Installment equals and includes \$6,250.00 of Initial Franchise Fee	Upon execution of Franchise Agreement and paid not later than 180 days following execution of Franchise Agreement

First Discount: The Initial Franchise Investment will be discounted ~~\$5000~~ by \$2,500.00 to ~~\$10,300~~12,800.00 (the "Discounted Initial Franchise Investment") if the entire Discounted Initial Franchise Investment is made upon execution of this Agreement.

Additional Fees:

Local Lift-Off Program Investment: \$3,000.00 due to TG at the signing of the Agreement.

Trustegrity® Academy Investment: \$3,000.00 due 14 days prior to attending the academy.

Technology Investments. Six Months of Technology Fees are due to TG two weeks prior to attending Trustegrity Academy® in the amount of \$1,200. Thereafter commencing in the 7th month, Franchisee shall pay TG or its designated vendor a monthly Technology Fee. Currently, the minimum Software Fee is \$200 per month for your first franchise and shall increase by \$100.00 per month for each additional franchise unit.

Principals. The following is a complete list of all of the Principals of Franchisee and the percentage interest of each individual:

Name: _____	Ownership Interest %
Name: _____	Ownership Interest %

Attachment 4

Confidentiality & Non-Competition Agreement

*(for shareholders, officers, directors,
general partners, members, and managers of Franchisee)*

NOTE: FRANCHISEE NEEDS TO COPY THIS AGREEMENT FOR, AND HAVE IT COMPLETED AND EXECUTED BY, ITS SHAREHOLDERS, OFFICERS, DIRECTORS, GENERAL PARTNERS, MEMBERS, AND MANAGERS, AS APPLICABLE, BEFORE COMPLETING AND EXECUTING IT CONCURRENTLY WITH THE SIGNING OF THE FRANCHISE AGREEMENT.

In consideration of my being a shareholder, officer, director, general partner, member, or manager of the Franchisee, and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, I hereby acknowledge and agree that: _____, doing business as the “Franchisee”, has acquired the right and franchise from Connect, Confide, and Collaborate LLC d/b/a Trustegrity® Global (“TG”) to establish and operate a *Trustegrity*® franchise pursuant to the terms of a Franchise Agreement (the “Franchise Agreement”) with TG and receives compensation and material and significant benefit, from its Franchise Agreement and relationship with TG (“Franchisee Relationship”); and TG has compiled, prepared and maintained, at significant cost and expense, confidential and proprietary non-public information (as further defined below, “Confidential Information”) including, without limitation, client information, Trustegrity® Business Chair rosters, systems, referrals and contacts, Manual, tactics, strategies, and material; and the Parties acknowledge obligations under applicable common, state, and federal privacy law including HIPAA; and TG desires to make and continue to make available certain Confidential Information to Franchisee in the course of their continuing relationship, which information Franchisee acknowledges she/he would not otherwise have access for use.

1. Confidential Information. The term “Confidential Information” shall be deemed to include, without limitation, all confidential and proprietary information, whether oral or written, via computer disk or electronic media or otherwise, that is owned, licensed by, or relates to TG or its business, and such Confidential Information shall be deemed to also include, without limitation, all trade secrets, know-how, and other intellectual property and proprietary rights; drawings, computer programs, secret inventions, processes, and compilations of information, records, and specifications; planning and strategic information; historical and projected financial information; profit and sales data; operating data; organization and product cost structures; strategic sales, marketing, business and management plans; customer discounts and rebate programs; customer and client information (including customer and client name, address, contact information, investment information and data, and financial information); and customer lists, supplier information, and supplier lists, business strategies, the Operations Manual (and all information contained in the Operations Manual); and any other non-public information that is owned, licensed by, or relates to TG or its business.

2. Nondisclosure. As a shareholder, officer, director, general partner, member, or manager of the Franchisee, I understand and agree on behalf of myself and any spouse, children, parents, or siblings (each a “Family Member”) that all Confidential Information is non-public, confidential, and proprietary and has been prepared and maintained by TG at significant cost and expense and that any breach of this Agreement will result in immediate and irreparable harm to TG. Without the prior written approval of TG, in no event shall I or any Family Member, directly or indirectly: (1) use the Confidential Information or (2) disclose, discuss, or disseminate the Confidential Information to any third-party person, firm, or entity. The provisions of this paragraph shall be binding during the term of my position with the Franchisee and shall survive and be binding from and after the term of my position with the Franchisee. I will give immediate written notice to TG of any disclosure requirement by a court or government agency in order to allow TG an opportunity to respond to such requirement. I further acknowledge and agree that client and customer Confidential Information is confidential to the respective client and customer and that any unauthorized use or disclosure of such client and customer Confidential Information would be a violation of TG’s policies

as well as applicable federal and state laws.

3. Non-competition. During the term of the Franchisee Relationship, and for a period of one (1) year from and after the date of termination of the Franchisee Relationship for any reason or my relationship with Franchisee, I shall not, for any reason whatsoever, either on my own account or for any person, firm, partnership, corporation, or other entity, directly or indirectly (including with or through any Family Member, affiliate, or third party) own, manage, operate, control, be employed by, perform services for, advise, or consult with or for, solicit business for, participate in or be connected with the ownership, management, operation, or control of, any business that sells products or services materially similar to or competitive with those products or services sold or provided by TG, nor act as an owner, partner, franchisee, officer, employee, consultant, salesperson, representative, advisor, agent, or in any other capacity in any agency, registry, office, or other business supplying in whole or in part Competitive Services (i) within the Territory, or (ii) within twenty (20) miles of (a) boundary of the Territory being granted hereunder or (b) any other franchisee or company owned territory licensed or operated by TG at the time of the termination of my position with Franchisee.

4. Non-solicitation. During the term of my position with Franchisee, and for a period of one (1) year from and after the date of termination of my position with Franchisee for any reason whatsoever, I shall not, either on my own account or for any person, firm, partnership, corporation, or other entity, directly or indirectly (including with or through any Family Member, affiliate, or third party) solicit, interfere with, induce, attempt to induce, or endeavor to cause any employee, agent, franchisee, vendor, client, account, Group Chair, referral source, or Franchisee or TG to leave his or her relationship with TG nor to do business with any third party that is a competitor with TG.

5. Non-disparagement of TG. During the term of my position with Franchisee, and for a period of two (2) years from and after the date of termination of my position with Franchisee, for any reason whatsoever, I shall not in any public forum disparage or make negative statements (or induce or encourage others to disparage or make negative statements) about TG or any of its past or present franchisees, managers, employees, offices, directors, owners, agents, attorneys, representatives, successors, and assigns, including, without limitation, disparaging any of such parties in connection with the facts or circumstances surrounding any termination of the Parties' relationship, nor criticizing TG's business strategies, materials, Marks, System, Services, or Confidential Information.

6. Governing Law. This Agreement shall be governed by and construed and enforced in accordance with the laws of the Commonwealth of Georgia without regard to its conflict of laws principles. The invalidity or unenforceability of any provision of this Agreement by a court of competent jurisdiction shall not affect the validity of the remainder of this Agreement, which shall at all times remain in full force and effect.

7. Enforceability. If any part or provision of this Confidentiality Agreement or its application to any party or circumstance is held by any rule of law, administrative order, judicial decision, or public policy to be invalid, illegal, or unenforceable to any degree or extent, the validity, legality, and enforceability of the rest and remainder of this agreement and the application of that provision or term to that party or other parties or to that or other circumstances is not affected or impaired in any way and is to be enforced to the maximum and fullest extent and degree permitted by the applicable law.

8. Miscellaneous.

a. TG is a third-party beneficiary of this Agreement and may enforce it, solely and/or jointly with the Franchisee. I am aware that my violation of this Agreement will cause TG and the Franchisee irreparable harm; therefore, I acknowledge and agree that the Franchisee and/or TG may apply for the issuance of an injunction preventing me from violating this Agreement, and I agree to pay the Franchisee and TG all the costs it/they incur(s), including, without limitation, attorney's fees and expenses, if this Agreement is enforced against me. Due to the importance of this Agreement to the Franchisee and TG, any

claim I have against the Franchisee or TG is a separate matter and does not entitle me to violate or justify any violation of this Agreement.

b. This Agreement may be assigned by TG to an entity affiliated with, or controlled directly or indirectly by, TG and will be deemed valid and enforceable without the consent of Franchisee. No rights of Franchisee shall be assigned or assignable by voluntary or involuntary assignment.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year here below.

FRANCHISOR

INDIVIDUAL(S)

Signature: _____
Print Name: David Alexander
Title: President & CEO/Manager
Date: _____

Signature: _____
Print Name: _____
Title: _____
Date: _____

|

Attachment 5

PERSONAL GUARANTY

PERSONAL GUARANTY

NOTE: IF FRANCHISEE IS A CORPORATION, EACH OF FRANCHISEE'S SHAREHOLDERS MUST EXECUTE THE FOLLOWING PERSONAL GUARANTY. IF FRANCHISEE IS A PARTNERSHIP, EACH OF FRANCHISEE'S GENERAL PARTNERS MUST EXECUTE THE FOLLOWING UNDERTAKING. IF FRANCHISEE IS A LIMITED LIABILITY COMPANY, EACH OF FRANCHISEE'S MEMBERS AND MANAGERS MUST EXECUTE THE FOLLOWING UNDERTAKING.

ARTICLE I PERSONAL GUARANTY

Owners with Any Interest Required to Sign Guaranty Pursuant to Section 21.

The undersigned, (individually and collectively "you") hereby represent to Connect, Confide, and Collaborate LLC ("Franchisor") that you are all of the shareholders, general and limited partners, or members of _____ ("Franchisee"). In consideration of the grant by Franchisor to the Franchisee as herein provided, each of you hereby agree, in consideration of benefits received and to be received by each of you, jointly and severally, and for yourselves, your heirs, legal representatives and assigns, to be firmly bound by all of the terms, provisions and conditions of the Franchise Agreement entered into between Franchisee and Franchisor ("Franchise Agreement") and any other agreement between Franchisee and Franchisor and/or Franchisor's affiliates, and do hereby unconditionally guarantee the full and timely performance by Franchisee of each and every obligation of Franchisee under the aforesaid Franchise Agreement or other agreement between Franchisor and Franchisee, including, without limitation, any indebtedness of Franchisee arising under or by virtue of the aforesaid Franchise Agreement and that you (jointly and individually) will not permit or cause any change in the percentage of Franchisee owned, directly or indirectly, by any person, without first obtaining the written consent of Franchisor prior to said proposed transfer, which consent must not be unreasonably withheld, and without first paying or causing to be paid to Franchisor the transfer fee provided for in said Franchise Agreement, if applicable, and without otherwise complying with the transfer provisions of the foregoing Franchise Agreement (the "Guaranty").

ARTICLE II CONFIDENTIALITY

During the term of the Franchise Agreement and this Guaranty, you will receive information, which Franchisor considers its trade secrets and confidential information including, without limitation, standards and specifications for the development and operation of a Trustegrity® Business, any proprietary software Franchisor may now or in the future create, and the Operations Manual ("Confidential Information"). You shall not, during the term of this Agreement or thereafter, communicate, divulge, or use for the benefit of any other person, partnership, association, corporation, or limited liability company any Confidential Information and trade secrets, including, without limitation: Franchisor's copyrighted materials and methods and other techniques and know-how concerning the operation of Trustegrity® Businesses, which may be communicated to you or of which you may become apprised by virtue of your role as a guarantor of the Franchisee's obligations under the Franchise Agreement. Any and all information,

knowledge, know-how, techniques, and other data, which Franchisor designates as confidential, will be deemed Confidential Information for purposes of this Agreement.

ARTICLE III NON-COMPETITION

You acknowledge that as a participant in the System, you will receive proprietary and confidential information and materials, trade secrets, and the unique methods, procedures and techniques which Franchisor has developed. Therefore, to protect Franchisor and all Franchisor's franchisees, you agree as follows:

1) **During the Term of the Franchise Agreement and this Guaranty.** During the term of this Agreement, neither Franchisee, Franchisee's officers, directors, or principals, not any members of the immediate family of Franchisee or Franchisee's officers, directors, or principals may, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation:

(a) Own, engage in, be employed in sales management or purchasing by, advise, assist, invest in, franchise, make loans to, or have any other interest, whether financial or otherwise, in in any other business that facilitates business groups comprised of business leaders, entrepreneurs and professional advisors (except for other Trustegrity® Businesses operated under franchise agreements entered into with Franchisor or other Trustegrity® Businesses in which you or your owners have an ownership interest) (a "Competing Business");

(b) Solicit or employ, directly or indirectly, any person who is employed by Franchisor, by any entity controlled by or affiliated with Franchisor or by any other of Franchisor's franchisees if that solicitation or employment results in that person terminating her or her present employment and working for Franchisee, or if that solicitation or employment results in that person working in or for or operating a Competing Business; or

(c) Solicit, directly or indirectly, any member of a Trustegrity® group to participate or otherwise engage with a Competing Business.

2) **After the Term of The Franchise Agreement.**

(a) For a period of two (2) years after termination or expiration of the Franchise Agreement, you will not, directly or indirectly for the benefit of Franchisee or Franchisee's owners, or through or on behalf of or in conjunction with any other person, partnership or corporation, own, engage in, be employed by, advise, assist, invest in, franchise, make loans to, or have any

other interest, whether financial or otherwise, in any Competing Business located or regularly selling at the premises of the Competing Business or from other Competing Businesses or fixed locations within ten (10) miles of the Territory granted to Franchisee under the Franchise Agreement or within five (5) miles of any Trustegrity® Business in any state in which Franchisee operated, excluding ownership of less than ten percent (10%) of the stock of shares in any corporation whose stock is publicly traded.

(b) For a period of one (1) year after termination or expiration of the Franchise Agreement, you will not, directly or indirectly, solicit any member of a Trustegrity® group to participate or otherwise engage with a Competing Business.

3) **Intent and Enforcement.** It is the parties' intent that the provisions of this Article III be judicially enforced to the fullest extent permissible under applicable law. Accordingly, the parties agree that any reduction in scope or modification of any part of the noncompetition provisions contained herein shall not render any other part unenforceable. In the event of the actual or threatened breach of this Article III by you or any member(s) of your immediate family, Franchisor shall be entitled to an injunction restraining such person from any such actual or threatened breach. You agree that in the event of an actual or threatened breach of this Article III, Franchisor's harm will be irreparable and that Franchisor has no adequate remedy at law to prevent such harm. You acknowledge and agree on your own behalf and Franchisee's behalf that each of you have previously worked or been gainfully employed in other careers and that the provisions of this Article III in no way prevent you from earning a living. You further acknowledge and agree that the time limitations of this Article III shall be tolled during any default under this Guaranty.

ARTICLE IV DISPUTE RESOLUTION

1) **Acknowledgment.** You acknowledge that this Guaranty is not a franchise agreement and does not confer upon you any rights to use the Franchisor's proprietary marks or its system.

2) **Governing Law.** This Guaranty shall be deemed to have been made in and governed by the laws of the State of Georgia.

3) **Mediation and Arbitration.** Any and all disputes arising from or relating to the parties' relationship or this Agreement shall be subject to mandatory mediation which shall be conducted and completed within thirty (30) days of written demand therefore. Any disputes not resolved by mandatory mediation shall be resolved by binding arbitration within 120 days of the initial written demand therefore. The arbitration hearing shall be held in Fulton County, Georgia pursuant to the then-current Commercial Arbitration Rules of the American Arbitration Association. The arbitration award shall be reviewable only by state or federal courts in or having jurisdiction over Fulton County, Georgia only for clear error of fact or law and on any additional statutory grounds for vacationing or reversing an arbitration award. Franchisor shall be entitled to recover its reasonable attorneys' fees and litigation costs and expenses including expert witness fees if it is the substantially prevailing party in any arbitration or litigation relating to this Agreement or the parties' relationship. Nothing contained herein shall preclude any party from commencing a suit in court for temporary or preliminary injunctive relief to prevent irreparable harm pending the arbitration decision, provided that any such suit for temporary or preliminary injunctive relief shall be commenced and maintained exclusively in state or federal courts in or having jurisdiction over

Fulton County, Georgia.

4) **Third-Party Beneficiaries.** Franchisor's officers, directors, shareholders, agents and/or employees are express third-party beneficiaries of the Franchise Agreement and this Guaranty, and the mediation and other dispute resolution provisions contained herein, each having authority to specifically enforce the right to mediate and litigate claims asserted against such person(s) by you.

5) **Injunctive Relief.** Nothing contained in this Guaranty shall prevent Franchisor from applying to or obtaining from any court having jurisdiction, without bond, a writ of attachment, temporary injunction, preliminary injunction and/or other emergency relief available to safeguard and protect Franchisor's interest prior to the filing of any mediation or judicial proceeding or pending the trial or handing down of a decision or award pursuant to any mediation or judicial proceeding conducted hereunder.

6) **Jury Trial Waiver.** THE PARTIES HEREBY AGREE TO WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR EQUITY, REGARDLESS OF WHICH PARTY BRINGS SUIT. THIS WAIVER SHALL APPLY TO ANY MATTER WHATSOEVER BETWEEN THE PARTIES HERETO WHICH ARISES OUT OF OR IS RELATED IN ANY WAY TO THIS PERSONAL GUARANTY OR THE FRANCHISE AGREEMENT, THE PERFORMANCE OF EITHER PARTY, AND/OR YOUR PURCHASE FROM FRANCHISOR OF THE FRANCHISE, OPTION AND/OR ANY GOODS OR SERVICES. THE PARTIES AGREE THAT ALL PROCEEDINGS, WHETHER LITIGATION OR MEDIATION, WILL BE CONDUCTED ON AN INDIVIDUAL, NOT A CLASS-WIDE BASIS, AND THAT ANY PROCEEDING BETWEEN FRANCHISEE AND FRANCHISEE'S PRINCIPALS AND YOU, AND FRANCHISOR OR ITS AFFILIATES OR EMPLOYEES, MAY NOT BE CONSOLIDATED WITH ANY OTHER PROCEEDING BETWEEN FRANCHISOR AND ANY OTHER PERSON OR ENTITY.

7) **Waiver of Punitive Damages.** You waive to the fullest extent permitted by law, any right to or claim for any punitive, exemplary, incidental, indirect, special or consequential damages (including, without limitation, lost profits) which you may have against us arising out of any cause whatsoever (whether such cause be based in contract, negligence, strict liability, other tort or otherwise) and agree that in the event of a dispute, your recovery shall be limited to actual damages. If any other term of this Personal Guaranty is found or determined to be unconscionable or unenforceable for any reason, the foregoing provisions shall continue in full force and effect, including, without limitation, the waiver of any right to claim any consequential damages.

8) **Limitation on Action.** You agree that no cause of action arising out of or under this Guaranty or the Franchise Agreement may be maintained by you unless brought before the expiration of one (1) year after the act, transaction or occurrence upon which such action is based or the expiration of one (1) year after you become aware of facts or circumstances reasonably indicating that you may have a claim against the Franchisor, whichever occurs sooner, and that any action not brought within this period shall be barred as a claim, counterclaim, defense or set-off.

9) **Attorneys' Fees.** If either party institutes any judicial or litigation proceeding to enforce any monetary or nonmonetary obligation or interpret the terms of this Guaranty and the Franchise

Agreement, and Franchisor prevails in such action, you shall be liable to Franchisor for all costs, including reasonable attorneys' fees, incurred in connection with such proceeding.

10) **Nonwaiver.** Franchisor's failure to insist upon strict compliance with any provision of this Personal Guaranty and the Franchise Agreement shall not be a waiver of Franchisor's right to do so, any law, custom, usage or rule to the contrary notwithstanding. Delay or omission by Franchisor respecting any breach or default shall not affect Franchisor's rights respecting any subsequent breaches or defaults. All rights and remedies granted in this Guaranty shall be cumulative. Franchisor's election to exercise any remedy available by law or contract shall not be deemed a waiver or preclude exercise of any other remedy.

11) **Severability.** The parties agree that if any provisions of this Guaranty may be construed in two ways, one of which would render the provision illegal or otherwise voidable or unenforceable and the other which would render it valid and enforceable, such provision shall have the meaning, which renders it valid and enforceable. The language of all provisions of this Guaranty shall be construed according to fair meaning and not strictly construed against either party. The provisions of this Guaranty are severable, and this Guaranty shall be interpreted and enforced as if all completely invalid or unenforceable provisions were not contained herein, and partially valid and enforceable provisions shall be enforced to the extent that they are valid and enforceable. If any material provision of this Guaranty shall be stricken or declared invalid, the parties agree to negotiate mutually acceptable substitute provisions. In the event that the parties are unable to agree upon such provisions, Franchisor reserves the right to terminate this Guaranty.

12) **Construction of Language.** Any term defined in the Franchise Agreement which is not defined in this Guaranty will be ascribed the meaning given to it in the Franchise Agreement. The language of this Guaranty will be construed according to its fair meaning, and not strictly for or against either party. All words in this Guaranty refer to whatever number or gender the context requires. If more than one party or person is referred to as you, their obligations and liabilities must be joint and several. Headings are for reference purposes and do not control interpretation.

13) **Successors.** References to "Franchisor," "the undersigned," or "you" include the respective parties' successors, assigns or transferees.

14) **No Personal Liability.** You agree that fulfillment of any and all of Franchisor's obligations written in this Guaranty or in the Franchise Agreement or based on any oral communications which may be ruled to be binding in a court of law shall be Franchisor's sole responsibility and none of Franchisor's agents, representatives, nor any individuals associated with Franchisor's franchise company shall be personally liable to Franchisee or you for any reason.

PERSONAL GUARANTORS

Sign: _____

Print: _____

Sign: _____

Print: _____

Sign: _____
Print: _____

Sign: _____
Print: _____

FRANCHISE DISCLOSURE DOCUMENT
TRUSTEGRITY®
EXHIBIT C
CONSOLIDATED FINANCIAL STATEMENTS

Unaudited Balance Sheet as of May 31, 2024, and Unaudited Profit and Loss Statement for the Period from January 1, 2024 to May 31, 2024

~~2023 to May 31, 2023 and Unaudited Balance Sheet as of May 31, 2023~~

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

Connect Confide Collaborate
Profit and Loss- UNAUDITED
January - May, 2023

	Total
Income	
41000 Franchisor Income	
41001 Franchise Fees	3,592.15
41002 Royalty Income	9,258.38
41004 Technology Fees	6,500.00
41006 Master Developer Fees	17,350.55
41008 Marketing Fund	2,314.65
41010 Hero Toolboxes	2,070.00
41100 Training	147.00
Total 41000 Franchisor Income	\$ 41,232.73
42000 Franchisee	
42300 Conferences	2,991.00
Total 42000 Franchisee	\$ 2,991.00
45000 Service Revenue	
45200 Administration Support	2,475.00
Total 45000 Service Revenue	\$ 2,475.00
Sales	0.00
Total Income	\$ 46,698.73
Cost of Goods Sold	
56000 Service Cost	
56200 Administration Support	1,000.00
Total 56000 Service Cost	\$ 1,000.00
Total Cost of Goods Sold	\$ 1,000.00
Gross Profit	\$ 45,698.73
Expenses	
62000 Personnel	
62900 Partner Guaranteed Pymts	
62901 Guar-Payment	5,000.00
62902 Sales Comm- Guar	406.90
Total 62900 Partner Guaranteed Pymts	\$ 5,406.90
Total 62000 Personnel	\$ 5,406.90
65000 Operating Costs	
65100 Professional Fees	
65101 Accounting	4,559.11
65102 Legal Fees	7,199.98
Total 65100 Professional Fees	\$ 11,759.09
65200 Taxes	
65201 Licenses and Permits	252.99
65204 State	267.75
Total 65200 Taxes	\$ 520.74
65300 Office - Master	

65304 Printing and Reproduction		782.55
Total 65300 Office - Master	\$	782.55
65400 Technology		
65401 Computer Equipment		339.26
65402 Computer Software		604.80
65406 Telephone/Cellphone		427.72
65407 Software Apps		1,924.17
65408 Website		1,985.63
Total 65400 Technology	\$	5,281.58
65500 Travel & Entertainment		
65501 Travel		120.79
65502 Lodging		559.30
65504 Meals		1,337.49
Total 65500 Travel & Entertainment	\$	2,017.58
Total 65000 Operating Costs	\$	20,361.54
68000 Financing		
68200 Interest Expense		
68203 Finance Charges		133.88
Total 68200 Interest Expense	\$	133.88
Total 68000 Financing	\$	133.88
Total Expenses	\$	25,902.32
Net Operating Income	\$	19,796.41
Net Income	\$	19,796.41

Friday, Jun 23, 2023 11:01:53 AM GMT-7 - Accrual Basis

Connect Confide Collaborate
Balance Sheet - Unaudited
As of May 31, 2023

	Total
ASSETS	
Current Assets	
Bank Accounts	
10001 BB&T Checking 4036	703.76
10510 Petty Cash	0.00
1071 Bill.com Money In Clearing	0.00
1072 Bill.com Money Out Clearing	0.00
Total Bank Accounts	\$ 703.76
Accounts Receivable	
11000 Accounts Receivable	495.00
Total Accounts Receivable	\$ 495.00
Other Current Assets	
14000 Prepaid Commissions	6,064.45
Total Other Current Assets	\$ 6,064.45
Total Current Assets	\$ 7,263.21
TOTAL ASSETS	\$ 7,263.21
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
20000 Accounts Payable	0.00
Total Accounts Payable	\$ 0.00
Other Current Liabilities	
22000 Other Current Liabilities	
22100 Accrued Expenses	0.00
Total 22000 Other Current Liabilities	\$ 0.00
23000 Deferred Franchise Fees	323,009.15
23501 Franchise Deposits	11,500.00
Total Other Current Liabilities	\$ 334,509.15
Total Current Liabilities	\$ 334,509.15
Total Liabilities	\$ 334,509.15
Equity	
31001 Contribution - HA Holding	-428,148.06
35000 Retained Earnings	81,105.71
Net Income	19,796.41
Total Equity	-\$ 327,245.94
TOTAL LIABILITIES AND EQUITY	\$ 7,263.21

Friday, Jun 23, 2023 11:02:45 AM GMT-7 - Accrual Basis

CONNECT, CONFIDE, AND COLLABORATE LLC

D/B/A TRUSTEGRITY® GLOBAL

FINANCIAL STATEMENTS

WITH INDEPENDENT AUDITOR'S REPORT

DECEMBER 31, 2022, 2021, AND 2020



CONNECT, CONFIDE, AND COLLABORATE, LLC
D/B/A TRUSTEGRITY® GLOBAL
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Independent Auditor's Report

To the Member
Connect, Confide, and Collaborate, LLC d/b/a Trustegrity® Global
Marietta, Georgia

Opinion

We have audited the accompanying financial statements of Connect, Confide, and Collaborate, LLC d/b/a Trustegrity® Global, which comprise the balance sheet as of December 31, 2022, and the related statements of operations, member's equity (deficit), and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Connect, Confide, and Collaborate, LLC d/b/a Trustegrity® Global as of December 31, 2022, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

The financial statements of the Company as of December 31, 2021 and 2020 were audited by other auditors whose report dated August 25, 2022 expressed an unmodified opinion on those statements.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

Restrictions on Use

The use of this report is restricted to inclusion within the Company's Franchise Disclosure Document (FDD) and is not intended to be, and should not be, used or relied upon by anyone for any other use.

Kezar $\frac{3}{4}$ Dunlavy

St. George, Utah
June 19, 2023

CONNECT, CONFIDE, AND COLLABORATE LLC
D/B/A TRUSTTEGRITY® GLOBAL
BALANCE SHEETS
As of December 31, 2022, 2021, and 2020

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Assets			
Current assets			
Cash and cash equivalents	\$ 5,908	\$ 1,204	\$ 100,206
Accounts receivable	2,467	1,389	718
Prepaid commissions, current portion	-	500	400
Total current assets	<u>8,375</u>	<u>3,093</u>	<u>101,324</u>
Non-current assets			
Prepaid commissions	-	2,948	2,454
Franchise receivable	25,000	-	-
Total assets	<u>\$ 33,375</u>	<u>\$ 6,041</u>	<u>\$ 103,778</u>
Liabilities and Member's Equity (Deficit)			
Current liabilities			
Accounts payable	\$ 2,292	\$ 3,000	\$ 6,889
Advertising fund liability	-	-	927
Accrued expenses	5,000	-	-
Customer deposits	<u>9,500</u>	<u>10,500</u>	<u>16,000</u>
Deferred revenue, current portion	43,113	46,754	43,579
Total current liabilities	<u>59,905</u>	<u>60,254</u>	<u>67,395</u>
Non-current liabilities			
Deferred revenue	252,639	319,560	320,642
Total liabilities	<u>312,544</u>	<u>379,814</u>	<u>388,037</u>
Member's equity (deficit)			
Retained earnings (deficit)	<u>(279,169)</u>	<u>(373,773)</u>	<u>(284,259)</u>
Total member's equity (deficit)	<u>(279,169)</u>	<u>(373,773)</u>	<u>(284,259)</u>
Total liabilities and member's equity (deficit)	<u>\$ 33,375</u>	<u>\$ 6,041</u>	<u>\$ 103,778</u>

The accompanying notes are an integral part of these financial statements

CONNECT, CONFIDE, AND COLLABORATE LLC
D/B/A TRUSTTEGRITY® GLOBAL
STATEMENTS OF OPERATIONS
For the years ended December 31, 2022, 2021, and 2020

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Operating revenues			
Franchise fees	\$ 105,315	\$ 60,007	\$ 19,179
Royalty fees	25,369	15,080	4,500
Technology fees	18,000	-	-
Service fees	13,860	-	-
Marketing fees	10,500	-	-
Advertising fund fees	6,783	4,692	-
Other sales	6,974	19,245	13,598
Total operating revenues	<u>186,801</u>	<u>99,024</u>	<u>37,277</u>
Operating expenses			
Advertising fund costs	30,200	15,000	-
Guaranteed payments	30,448	-	-
Technology costs	22,344	-	-
Professional fees	13,613	19,235	15,394
Service costs	9,328	-	-
Commissions	6,738	-	-
General and administrative	6,600	1,775	1,755
Marketing costs	151	-	-
Franchise costs	-	10,070	1,857
Payroll and related costs	-	406	5,271
Total operating expenses	<u>119,422</u>	<u>46,486</u>	<u>24,277</u>
Net income	<u>\$ 67,379</u>	<u>\$ 52,538</u>	<u>\$ 13,000</u>

The accompanying notes are an integral part of these financial statements

CONNECT, CONFIDE, AND COLLABORATE LLC
D/B/A TRUSTEGRITY® GLOBAL
STATEMENTS OF MEMBER'S EQUITY (DEFICIT)
For the years ended December 31, 2022, 2021, and 2020

	Member's Contributions	Retained Earnings	Total Member's Equity (Deficit)
Balance at April 29, 2020 (Inception)	\$ -	\$ -	\$ -
Distributions	-	(297,259)	(297,259)
Net income	-	13,000	13,000
Balance at December 31, 2020	-	(284,259)	(284,259)
Distributions	-	(142,052)	(142,052)
Net income	-	52,538	52,538
Balance at December 31, 2021	-	(373,773)	(373,773)
Contributions	9,078	-	9,078
Distributions	-	-	-
Net income	-	67,379	67,379
Effect of adoption of ASC 606 practical expedient	-	18,147	18,147
Balance at December 31, 2022	<u>\$ 9,078</u>	<u>\$ (288,247)</u>	<u>\$ (279,169)</u>

The accompanying notes are an integral part of these financial statements

CONNECT, CONFIDE, AND COLLABORATE LLC
D/B/A TRUSTEGRITY® GLOBAL
STATEMENTS OF CASH FLOWS
For the years ended December 31, 2022, 2021, and 2020

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Cash flows used in operating activities:			
Net income	\$ 67,379	\$ 52,538	\$ 13,000
Adjustments to reconcile net income to net cash provided (used) by operating activities:			
Recognition of non-refundable deferred franchise sales	-	(53,353)	(28,979)
Recognition of prepaid commissions	-	406	146
Effect of adoption of ASC 606 practical expedient	18,147	-	-
Change in operating assets and liabilities:			
Accounts receivable	(1,078)	(671)	(718)
Prepaid commissions	3,448	(1,000)	(3,000)
Notes receivable	(25,000)	-	-
Accounts payable	(708)	(3,889)	6,889
Advertising fund liability	-	(927)	927
Accrued expenses	5,000	-	-
Customer deposits	(1,000)	(5,500)	16,000
Non-refundable deferred franchise fess	(70,562)	55,446	393,200
Net cash provided (used) by operating activities	<u>(4,374)</u>	<u>43,050</u>	<u>397,465</u>
Cash flows from financing activities:			
Member contributions	9,078	-	-
Member distributions	-	(142,052)	(297,259)
Net cash provided (used) by financing activities	<u>9,078</u>	<u>(142,052)</u>	<u>(297,259)</u>
Net change in cash and cash equivalents	4,704	(99,002)	100,206
Cash and cash equivalents at beginning of period	1,204	100,206	-
Cash and cash equivalents at end of period	<u>\$ 5,908</u>	<u>\$ 1,204</u>	<u>\$ 100,206</u>
Supplemental disclosures of cash flow			
Cash paid for interest	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

CONNECT, CONFIDE, AND COLLABORATE, LLC
D/B/A TRUSTEGRITY® GLOBAL
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022, 2021, and 2020

(1) Nature of Business and Summary of Significant Accounting Policies

(a) Nature of Business

Connect, Confide, and Collaborate, LLC d/b/a Trustegritty® Global (the “Company”) was incorporated on April 29, 2020 in the State of Georgia. The Company grants franchises to qualified persons to own and operate a business which facilitates business groups comprised of business leaders, entrepreneurs and professional advisors. These groups allow members to connect, confide and collaborate under the tradename Trustegritty® under a uniform business format and using specifically designed procedures, methods and designs collectively known as the “Trustegritty® System.”

The company is a wholly owned subsidiary of High Achievers Holdings, LLC (“HAH” “Parent”), which is a Nevada limited liability company. High Achievers Training, LLC (“HAT”), High Achievers Innovations, LLC (“HAI”) and High Achievers Enterprises, LLC (“HAE”) are Nevada limited liability companies all controlled by HAH. HAT, HAI and HAE are Affiliates of the Company. HAT owns and operates certain Trustegritty® franchise territories which are run by Regional Connectors. HAI owns and is the operating company for the High Achievers “Software as a Service” subscription service for Independent Coaches. HAE operates the High Achievers franchise system which offers peer advisory and business coaching services.

The Company uses the accrual basis of accounting, and their accounting period is the 12-month period ending December 31 of each year.

(b) Accounting Standards Codification

The Financial Accounting Standards Board (“FASB”) has issued the FASB Accounting Standards Codification (“ASC”) that became the single official source of authoritative U.S. generally accepted accounting principles (“GAAP”), other than guidance issued by the Securities and Exchange Commission (SEC), superseding existing FASB, American Institute of Certified Public Accountants, emerging Issues Task Force and related literature. All other literature is not considered authoritative. The ASC does not change GAAP; it introduces a new structure that is organized in an accessible online research system.

(c) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures. Actual results could differ from those estimates.

(d) Reclassification

Certain items in the prior year have been reclassified to conform to the current year’s presentation.

(e) Cash and Cash Equivalents

Cash equivalents include all highly liquid investments with maturities of three months or less at the date of purchase. Also included within cash equivalents are deposits in-transit from banks for payments related to third-party credit card and debit card transactions. As of December 31, 2022, 2021, and 2020, the Company had cash and cash equivalents of \$5,908, \$1,204, and \$100,206, respectively.

CONNECT, CONFIDE, AND COLLABORATE, LLC
D/B/A TRUSTTEGRITY® GLOBAL
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022, 2021, and 2020

(f) Accounts Receivable

Accounts receivable represents amounts due from franchisees for various fees. The provision for uncollectible amounts is continually reviewed and adjusted to maintain the allowance at a level considered adequate to cover losses. The allowance is management's best estimate of uncollectible amounts and is determined based on historical performance that is tracked by the Company on an ongoing basis. The losses ultimately incurred could differ materially in the near term from the amounts estimated in determining the allowance. For the years ended December 31, 2022, 2021, and 2020, management determined no allowance for doubtful accounts receivable was necessary. As of December 31, 2022, 2021, and 2020, the Company had accounts receivable of \$2,467, \$1,389, and \$718, respectively.

(g) Revenue Recognition

The Company's primary revenues consist of fees from franchise locations. Revenues from franchisees consist of initial franchise fees, and royalties and other fees based on a percentage of gross revenues.

On April 29, 2020, the Company adopted ASC 606, *Revenue from Contracts with Customers* using the modified retrospective method. This method allows the standard to be applied retrospectively through a cumulative catch-up adjustment recognized upon adoption. As such, comparative information in the Company's financial statements has not been restated and continues to be reported under the accounting standards in effect for those periods.

In January 2021, the FASB issued Accounting Standard Update (ASU) 2021-02, regarding revenue recognition for franchisors (a subtopic of revenue from contracts with customers). This standard is effective for periods beginning after December 15, 2020, with early adoption permitted. The standard applies to all non-public franchisors. ~~This amendment introduces a practical expedient that simplifies the guidance on identifying performance obligations. This practical expedient allows the franchisor to account for pre-opening services as distinct from the franchise license if the services are consistent with predefined services listed in this ASU. Also, the ASU allows for an accounting election to be made by the entity to recognize all the pre-opening services as a single performance obligation. These standards do not change the recognition of royalties, which are based on a percentage of sales and recognized at the time the underlying sales occur. However, these standards do change the timing for revenue recognition for franchise sales occurring subsequent to 2021.~~

The Company adopted these new standards as of January 1, 2022, using the modified retrospective method. The Company applied this guidance only to contracts that were not completed at the date of initial application.

The Company's primary revenues consist of initial franchise fees and royalty fees from locations operated by franchisees. ASC 606, *Revenue from Contracts with Customers*, provides that revenues are to be recognized when control of promised goods or services is transferred to a customer in an amount that reflects the considerations expected to be received for those goods or services. This standard does not impact the Company's recognition of the royalty fees. The standard does change the timing in which the Company recognizes initial fees received from new franchisees. Typically, in the initial sale of a franchise, there are two performance obligations in the arrangement: pre-opening services and the franchise license. Under the practical expedient, the Company has elected to account for all pre-opening services as a single performance obligation. Preopening services are recognized when the performance obligation has been met – typically when the franchise location is open for business. Franchise fees related to the franchise license are recognized on a straight-line basis over the initial contract term as the Company provides its continuing services for the franchisee. The franchise term is generally for 8-10 years and renewal options may be signed in conjunction with the initial franchise contract sale.

CONNECT, CONFIDE, AND COLLABORATE, LLC
D/B/A TRUSTEGRITY® GLOBAL
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022, 2021, and 2020

(h) Income Taxes

The entity is structured as a limited liability company (LLC) under the laws of the State of Georgia. A limited liability company is classified as a partnership for federal and state income tax purposes and, accordingly, the income or loss of the Company will be included in the income tax returns of the members. Therefore, there is no provision for federal and state income taxes.

The Company follows the guidance under Accounting Standards Codification ("ASC") Topic 740, Accounting for Uncertainty in Income Taxes. ASC Topic 740 prescribes a more-likely-than-not measurement methodology to reflect the financial statement impact of uncertain tax positions taken or expected to be taken in the tax return. If taxing authorities were to disallow any tax positions taken by the Company, the additional income taxes, if any, would be imposed on the members rather than the Company. Accordingly, there would be no effect on the Company's financial statements.

The Company's income tax returns are subject to examination by taxing authorities for a period of three years from the date they are filed. As of December 31, 2022, the 2021 and 2020 tax years were subject to examination.

(i) Recently Issued Accounting Pronouncements

In February 2016, the FASB issued ASU 2016-02, Leases, which creates ASC 842, Leases, and supersedes ASC 840, Leases. ASC 842 requires lessees to recognize a right-of-use asset and lease liability for all leases with terms of more than 12 months. Recognition, measurement, and presentation of expenses will depend on classification as a finance or operating lease. The new guidance will be effective for private companies with annual reporting periods beginning after December 15, 2021 and is to be applied retrospectively. The Company had no leases as of December 31, 2022.

(j) Advertising Fund

The Company collects contributions to the Advertising Fund and expenses advertising costs as incurred. Advertising contributions for the years ended December 31, 2022, 2021, and 2020 were \$6,783, \$4,692, and \$0, respectively. Advertising fund expenses for the years ended December 31, 2022, 2021, and 2020 were \$30,200, \$15,000, and \$0, respectively.

(k) Financial Instruments

For certain of the Company's financial instruments, including cash and cash equivalents, accounts receivable, long term notes receivable, accounts payable and accrued expenses, the carrying amounts approximate fair value due to their short maturities. The amounts shown for notes payable also approximate fair value because current interest rates and terms offered to the Company for similar debt are substantially the same.

(l) Concentration of Risk

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

CONNECT, CONFIDE, AND COLLABORATE, LLC
D/B/A TRUSTEGRITY® GLOBAL
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022, 2021, and 2020

(2) Franchise Receivable

Franchise receivables consists of initial franchise fees owed the company as of December 31, 2022, but not yet received. As of December 31, 2022, the balance was \$25,000 related to a franchise agreement signed prior to year-end but not collected.

(3) Deferred Revenue

The Company's franchise agreements generally provide for a payment of initial fees as well as continuing royalties, technology fees, and marketing fees to the Company based on a percentage of sales. Under the franchise agreement, franchisees are granted the right to operate a location using the Company's system for a period of 8-10 years. Under the Company's revenue recognition policy, franchise fees and any corresponding commissions are recognized when the franchisee begins operations. For any franchisees that have not yet begun operations as of year-end, the Company defers both the revenues and commissions. All locations that are expected to begin operations within the following year are categorized as current, while all others are classified as non-current.

The Company has estimated the following deferred contract costs and revenues as of December 31, 2022, 2021, and 2020:

	2022	2021	2020
Deferred commissions, current	\$ -	\$ 2,948	\$ 2,454
Deferred revenue, current	43,113	46,754	43,579
Deferred revenue, non-current	\$ 252,639	\$ 319,560	\$ 320,642

Estimated revenues to be recognized in future periods related to deferred franchise fees as reported at December 31, 2022 is as follows:

	Franchise Fees
Year ending December 31:	
2023	\$ 43,113
2024	43,113
2025	43,113
2026	43,113
2027	43,113
Thereafter	80,189
	<u>\$ 295,752</u>

(4) Accrued Expenses

Accrued expenses consist of marketing expenses that were deferred per signed agreement with the Company's marketing consultant. As of December 31, 2022, 2021, and 2020, the balance was \$5,000, \$0, and \$0, respectively.

(5) Equity

The Company's Parent made contributions of \$9,078, \$0, and \$0, in the years ended December 31, 2022, 2021, and 2020, respectively.

CONNECT, CONFIDE, AND COLLABORATE, LLC
D/B/A TRUSTEGRITY® GLOBAL
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022, 2021, and 2020

(6) Related Party Transactions

During the periods ended December 31, 2022, 2021, and 2020, the Company has not incurred rent or payroll expenses. An affiliate through common ownership provides office space and labor at no charge. The Company is not expected to reimburse these costs. Were these expenses to be charged, the Company's net income and members' equity (deficit) would decrease for the years presented. Other operating expenses, such as accounting fees, telephone services, computer equipment and software, and website fees, are allocated to the Company by this same affiliate based on the Company's proportional share of locations in operation.

(7) Commitments and Contingencies

The Company may be subject to various claims, legal actions and complaints arising in the ordinary course of business. In accounting for legal matters and other contingencies, the Company follows the guidance in ASC Topic 450 Contingencies, under which loss contingencies are accounted for based upon the likelihood of incurrence of a liability. If a loss contingency is "probable" and the amount of loss can be reasonably estimated, it is accrued. If a loss contingency is "probable" but the amount of loss cannot be reasonably estimated, disclosure is made. If a loss contingency is "reasonably possible," disclosure is made, including the potential range of loss, if determinable. Loss contingencies that are "remote" are neither accounted for nor disclosed.

In the opinion of management, all matters are of such kind, or involve such amounts, that unfavorable disposition, if any, would not have a material effect on the financial position of the Company.

In December 2019, a novel strain of coronavirus was reported in Wuhan, China. The World Health Organization has declared the outbreak to constitute a "Public Health Emergency of International Concern." The COVID-19 outbreak is disrupting supply chains and affecting production and sales across a range of industries. Management believes the pandemic has had a material effect on the Company's operations, reducing revenue from both new and existing franchisees. The full extent of the impact of COVID-19 on the Company's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on customers, employees and vendors all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may impact the Company's financial condition or results of operations is uncertain.

(8) Subsequent Events

Management has reviewed and evaluated subsequent events through June 19, 2023, which is the date the financial statements were issued.

Connect Confide Collaborate
Balance Sheet
As of May 31, 2024

	<u>Total</u>
<u>ASSETS</u>	
<u>Current Assets</u>	
<u>Bank Accounts</u>	
10001 BB&T Checking 4036	0.00
10002 FNCB #3634	932.30
10003 FNCB #9010	894.41
1071 Bill.com Money In Clearing	495.00
1072 Bill.com Money Out Clearing	0.00
Total Bank Accounts	\$ 2,321.71
<u>Accounts Receivable</u>	
11000 Accounts Receivable	900.00
11500 Franchise Receivable	25,000.00
Total Accounts Receivable	\$ 25,900.00
<u>Other Current Assets</u>	
14000 Prepaid Commissions	0.00
Total Other Current Assets	\$ 0.00
Total Current Assets	\$ 28,221.71
<u>Fixed Assets</u>	
<u>16000 Intangible Assets</u>	
16600 At the Table Cartersville Group	0.00
Total 16000 Intangible Assets	\$ 0.00
Total Fixed Assets	\$ 0.00
TOTAL ASSETS	\$ 28,221.71
<u>LIABILITIES AND EQUITY</u>	
<u>Liabilities</u>	
<u>Current Liabilities</u>	
<u>Accounts Payable</u>	
20000 Accounts Payable	4,626.90
Total Accounts Payable	\$ 4,626.90
<u>Credit Cards</u>	
21000 Credit Cards	0.00
Total Credit Cards	\$ 0.00
<u>Other Current Liabilities</u>	
<u>22000 Other Current Liabilities</u>	
22100 Accrued Expenses	0.00
Total 22000 Other Current Liabilities	\$ 0.00
23000 Deferred Franchise Fees, current	43,113.00

<u>23501 Franchise Deposits</u>		8,500.00
<u>24000 Deferred Other Revenues</u>		0.00
<u>Total Other Current Liabilities</u>	\$	<u>51,613.00</u>
<u>Total Current Liabilities</u>	\$	<u>56,239.90</u>
<u>Long-Term Liabilities</u>		
<u>25000 Deferred Franchise Fees</u>		191,560.85
<u>25500 At the Table (Cartersville)</u>		0.00
<u>Total Long-Term Liabilities</u>	\$	<u>191,560.85</u>
<u>Total Liabilities</u>	\$	<u>247,800.75</u>
<u>Equity</u>		
<u>31001 Contribution - HA Holding</u>		-476,827.50
<u>35000 Retained Earnings</u>		229,433.76
<u>Net Income</u>		27,814.70
<u>Total Equity</u>	-\$	<u>219,579.04</u>
<u>TOTAL LIABILITIES AND EQUITY</u>	\$	<u>28,221.71</u>

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Connect Confide Collaborate
Profit and Loss by Month
January - May, 2024

	<u>Total</u>
<u>Income</u>	
<u>41000 Franchisor Income</u>	
<u>41002 Royalty Income</u>	11,797.53
<u>41004 Technology Fees</u>	10,600.00
<u>41005 Marketing Fees</u>	8,000.00
<u>41006 Master Developer Fees</u>	17,965.00
<u>41008 Marketing Fund</u>	2,121.89
<u>41010 Hero Toolboxes</u>	1,863.00
<u>41100 Training</u>	1,323.00
<u>Total 41000 Franchisor Income</u>	<u>\$ 53,670.42</u>
<u>42900 At the Table Cartersville</u>	-8,055.43
<u>45000 Service Revenue</u>	
<u>45200 Administration Support</u>	7,450.00
<u>Total 45000 Service Revenue</u>	<u>\$ 7,450.00</u>
Total Income	\$ 53,064.99
<u>Cost of Goods Sold</u>	
<u>55010 COGS Marketing Lift-Off</u>	626.84
<u>56000 Service Cost</u>	
<u>56200 Administration Support</u>	2,000.00
<u>56300 Marketing Support</u>	726.90
<u>Total 56000 Service Cost</u>	<u>\$ 2,726.90</u>
Total Cost of Goods Sold	\$ 3,353.74
Gross Profit	\$ 49,711.25
<u>Expenses</u>	
<u>62000 Personnel</u>	
<u>62900 Partner Guaranteed Pymts</u>	
<u>62901 Guar-Payment</u>	5,000.00
<u>Total 62900 Partner Guaranteed Pymts</u>	<u>\$ 5,000.00</u>
<u>Total 62000 Personnel</u>	<u>\$ 5,000.00</u>
<u>65000 Operating Costs</u>	
<u>65100 Professional Fees</u>	3,800.00
<u>65101 Accounting</u>	1,542.66
<u>65102 Legal Fees</u>	5,100.00
<u>Total 65100 Professional Fees</u>	<u>\$ 10,442.66</u>
<u>65400 Technology</u>	
<u>65401 Computer Equipment</u>	304.09
<u>65402 Computer Software</u>	1,295.22

<u>65406 Telephone/Cellphone</u>		<u>520.67</u>
<u>65407 Software Apps</u>		<u>2,224.39</u>
<u>65408 Website</u>		<u>1,806.11</u>
<u>Total 65400 Technology</u>	<u>\$</u>	<u>6,150.48</u>
<u>Total 65000 Operating Costs</u>	<u>\$</u>	<u>16,593.14</u>
<u>68000 Financing</u>		
<u>68200 Interest Expense</u>		
<u>68203 Finance Charges</u>		<u>304.73</u>
<u>Total 68200 Interest Expense</u>	<u>\$</u>	<u>304.73</u>
<u>Total 68000 Financing</u>	<u>\$</u>	<u>304.73</u>
<u>Total Expenses</u>	<u>\$</u>	<u>21,897.87</u>
<u>Net Operating Income</u>	<u>\$</u>	<u>27,813.38</u>
<u>Other Income</u>		
<u>70001 Interest Income</u>		<u>1.32</u>
<u>Total Other Income</u>	<u>\$</u>	<u>1.32</u>
<u>Net Other Income</u>	<u>\$</u>	<u>1.32</u>
<u>Net Income</u>	<u>\$</u>	<u>27,814.70</u>

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CONNECT, CONFIDE, AND COLLABORATE LLC
D/B/A TRUSTEGRITY® GLOBAL

FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITOR'S REPORT
DECEMBER 31, 2023, 2022, AND 2021



CONNECT, CONFIDE, AND COLLABORATE, LLC
D/B/A TRUSTEGRITY® GLOBAL
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Independent Auditor's Report

To the Member
Connect, Confide, and Collaborate, LLC d/b/a Trustegritty® Global
Marietta, Georgia

Opinion

We have audited the accompanying financial statements of Connect, Confide, and Collaborate, LLC d/b/a Trustegritty® Global, which comprise the balance sheets as of December 31, 2023 and 2022, and the related statements of operations, member's deficit, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Connect, Confide, and Collaborate, LLC d/b/a Trustegritty® Global as of December 31, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

The financial statements of the Company as of December 31, 2021 were audited by other auditors whose report dated August 25, 2022 expressed an unmodified opinion on those statements.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

Restrictions on Use

The use of this report is restricted to inclusion within the Company's Franchise Disclosure Document (FDD) and is not intended to be, and should not be, used or relied upon by anyone for any other use.

Kezar & Dunlavy

St. George, Utah
June 6, 2024

CONNECT, CONFIDE, AND COLLABORATE LLC
D/B/A TRUSTTEGRITY® GLOBAL
BALANCE SHEETS
As of December 31, 2023, 2022, and 2021

	2023	2022	2021
Assets			
Current assets			
Cash and cash equivalents	\$ 7,246	\$ 5,908	\$ 1,204
Accounts receivable	2,903	2,467	1,389
Prepaid commissions, current portion	-	-	500
Total current assets	10,149	8,375	3,093
Non-current assets			
Prepaid commissions	-	-	2,948
Franchise receivable	25,000	25,000	-
Total assets	\$ 35,149	\$ 33,375	\$ 6,041
Liabilities and Member's Deficit			
Current liabilities			
Accounts payable	\$ 508	\$ 2,292	\$ 3,000
Accrued expenses	-	5,000	-
Customer deposits	8,500	9,500	10,500
Deferred revenue, current portion	54,313	43,113	46,754
Total current liabilities	63,321	59,905	60,254
Non-current liabilities			
Deferred revenue	209,526	252,639	319,560
Total liabilities	272,847	312,544	379,814
Member's deficit	(237,698)	(279,169)	(373,773)
Total liabilities and member's deficit	\$ 35,149	\$ 33,375	\$ 6,041

The accompanying notes are an integral part of these financial statements

CONNECT, CONFIDE, AND COLLABORATE LLC
D/B/A TRUSTTEGRITY® GLOBAL
STATEMENTS OF OPERATIONS
For the years ended December 31, 2023, 2022, and 2021

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Operating revenues			
Franchise fees	\$ 80,313	\$ 105,315	\$ 60,007
Royalty fees	21,978	25,369	15,080
Technology fees	17,200	18,000	-
Service fees	6,935	13,860	-
Marketing fees	4,000	10,500	-
Advertising fund fees	5,470	6,783	4,692
Other sales	22,696	6,974	19,245
Total operating revenues	<u>158,592</u>	<u>186,801</u>	<u>99,024</u>
Operating expenses			
Advertising fund costs	11,258	30,200	15,000
Guaranteed payments	12,000	30,448	-
Technology costs	17,192	22,344	-
Professional fees	22,211	13,613	19,235
Service costs	2,600	9,328	-
Commissions	12,000	6,738	-
General and administrative	2,500	6,600	1,775
Marketing costs	-	151	-
Franchise costs	-	-	10,070
Payroll and related costs	-	-	406
Total operating expenses	<u>79,761</u>	<u>119,422</u>	<u>46,486</u>
Net operating income	78,831	67,379	52,538
Interest expense	(461)	-	-
Net income	<u>\$ 78,370</u>	<u>\$ 67,379</u>	<u>\$ 52,538</u>

The accompanying notes are an integral part of these financial statements

CONNECT, CONFIDE, AND COLLABORATE LLC
D/B/A TRUSTTEGRITY® GLOBAL
STATEMENTS OF MEMBER'S DEFICIT
For the years ended December 31, 2023, 2022, and 2021

	Member's Deficit
Balance at December 31, 2020	\$ (284,259)
Distributions	(142,052)
Net income	52,538
Balance at December 31, 2021	(373,773)
Contributions	9,078
Distributions	-
Net income	67,379
Effect of adoption of ASC 606 practical expedient	18,147
Balance at December 31, 2022	(279,169)
Distributions	(36,899)
Net income	78,370
Balance at December 31, 2023	\$ (237,698)

The accompanying notes are an integral part of these financial statements

CONNECT, CONFIDE, AND COLLABORATE LLC
D/B/A TRUSTTEGRITY® GLOBAL
STATEMENTS OF CASH FLOWS
For the years ended December 31, 2023, 2022, and 2021

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Cash flows used in operating activities:			
Net income	\$ 78,370	\$ 67,379	\$ 52,538
Adjustments to reconcile net income to net cash provided (used) by operating activities:			
Recognition of non-refundable deferred franchise sales	-	-	(53,353)
Recognition of prepaid commissions	-	-	406
Effect of adoption of ASC 606 practical expedient	-	18,147	-
Change in operating assets and liabilities:			
Accounts receivable	(436)	(1,078)	(671)
Prepaid commissions	-	3,448	(1,000)
Notes receivable	-	(25,000)	-
Accounts payable	(1,784)	(708)	(3,889)
Advertising fund liability	-	-	(927)
Accrued expenses	(5,000)	5,000	-
Customer deposits	(1,000)	(1,000)	(5,500)
Non-refundable deferred franchise fess	(31,913)	(70,562)	55,446
Net cash provided (used) by operating activities	<u>38,237</u>	<u>(4,374)</u>	<u>43,050</u>
Cash flows from financing activities:			
Member contributions	(36,899)	9,078	-
Member distributions	-	-	(142,052)
Net cash provided (used) by financing activities	<u>(36,899)</u>	<u>9,078</u>	<u>(142,052)</u>
Net change in cash and cash equivalents	1,338	4,704	(99,002)
Cash and cash equivalents at beginning of period	5,908	1,204	100,206
Cash and cash equivalents at end of period	<u>\$ 7,246</u>	<u>\$ 5,908</u>	<u>\$ 1,204</u>
Supplemental disclosures of cash flow			
Cash paid for interest	<u>\$ 461</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

CONNECT, CONFIDE, AND COLLABORATE, LLC
D/B/A TRUSTEGRITY® GLOBAL
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023, 2022, and 2021

(1) Nature of Business and Summary of Significant Accounting Policies

(a) Nature of Business

Connect, Confide, and Collaborate, LLC d/b/a Trustegritty® Global (the “Company”) was incorporated on April 29, 2020 in the State of Georgia. The Company grants franchises to qualified persons to own and operate a business which facilitates business groups comprised of business leaders, entrepreneurs and professional advisors. These groups allow members to connect, confide and collaborate under the tradename Trustegritty® under a uniform business format and using specifically designed procedures, methods and designs collectively known as the “Trustegritty® System.”

The company is a wholly owned subsidiary of High Achievers Holdings, LLC (“HAH” “Parent”), which is a Nevada limited liability company. High Achievers Training, LLC (“HAT”), High Achievers Innovations, LLC (“HAI”) and High Achievers Enterprises, LLC (“HAE”) are Nevada limited liability companies all controlled by HAH. HAT, HAI and HAE are Affiliates of the Company. HAT owns and operates certain Trustegritty® franchise territories which are run by Regional Connectors. HAI owns and is the operating company for the High Achievers “Software as a Service” subscription service for Independent Coaches. HAE operates the High Achievers franchise system which offers peer advisory and business coaching services.

The Company uses the accrual basis of accounting, and their accounting period is the 12-month period ending December 31 of each year.

(b) Accounting Standards Codification

The Financial Accounting Standards Board (“FASB”) has issued the FASB Accounting Standards Codification (“ASC”) that became the single official source of authoritative U.S. generally accepted accounting principles (“GAAP”), other than guidance issued by the Securities and Exchange Commission (SEC), superseding existing FASB, American Institute of Certified Public Accountants, emerging Issues Task Force and related literature. All other literature is not considered authoritative. The ASC does not change GAAP; it introduces a new structure that is organized in an accessible online research system.

(c) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures. Actual results could differ from those estimates.

(d) Reclassification

Certain items in the prior year have been reclassified to conform to the current year’s presentation.

(e) Cash and Cash Equivalents

Cash equivalents include all highly liquid investments with maturities of three months or less at the date of purchase. Also included within cash equivalents are deposits in-transit from banks for payments related to third-party credit card and debit card transactions. As of December 31, 2023, 2022, and 2021, the Company had cash and cash equivalents of \$7,246, \$5,908, and \$1,204, respectively.

CONNECT, CONFIDE, AND COLLABORATE, LLC
D/B/A TRUSTEGRITY® GLOBAL
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023, 2022, and 2021

(f) Accounts Receivable

Accounts receivable represents amounts due from franchisees for various fees. The provision for uncollectible amounts is continually reviewed and adjusted to maintain the allowance at a level considered adequate to cover losses. The allowance is management's best estimate of uncollectible amounts and is determined based on historical performance that is tracked by the Company on an ongoing basis. The losses ultimately incurred could differ materially in the near term from the amounts estimated in determining the allowance. For the years ended December 31, 2023, 2022, and 2021, management determined no allowance for doubtful accounts receivable was necessary. As of December 31, 2023, 2022, and 2021, the Company had accounts receivable of \$2,903, \$2,467, and \$1,389, respectively.

(g) Revenue Recognition

The Company's primary revenues consist of fees from franchise locations. Revenues from franchisees consist of initial franchise fees, and royalties and other fees based on a percentage of gross revenues.

On April 29, 2020, the Company adopted ASC 606, *Revenue from Contracts with Customers* using the modified retrospective method. This method allows the standard to be applied retrospectively through a cumulative catch-up adjustment recognized upon adoption. As such, comparative information in the Company's financial statements has not been restated and continues to be reported under the accounting standards in effect for those periods.

In January 2021, the FASB issued Accounting Standard Update (ASU) 2021-02, regarding revenue recognition for franchisors (a subtopic of revenue from contracts with customers). This standard is effective for periods beginning after December 15, 2020, with early adoption permitted. The standard applies to all non-public franchisors. This amendment introduces a practical expedient that simplifies the guidance on identifying performance obligations. This practical expedient allows the franchisor to account for pre-opening services as distinct from the franchise license if the services are consistent with predefined services listed in this ASU. Also, the ASU allows for an accounting election to be made by the entity to recognize all the pre-opening services as a single performance obligation. These standards do not change the recognition of royalties, which are based on a percentage of sales and recognized at the time the underlying sales occur. However, these standards do change the timing for revenue recognition for franchise sales occurring subsequent to 2021.

The Company adopted these new standards as of January 1, 2022, using the modified retrospective method. The Company applied this guidance only to contracts that were not completed at the date of initial application.

The Company's primary revenues consist of initial franchise fees and royalty fees from locations operated by franchisees. ASC 606, *Revenue from Contracts with Customers*, provides that revenues are to be recognized when control of promised goods or services is transferred to a customer in an amount that reflects the considerations expected to be received for those goods or services. This standard does not impact the Company's recognition of the royalty fees. The standard does change the timing in which the Company recognizes initial fees received from new franchisees. Typically, in the initial sale of a franchise, there are two performance obligations in the arrangement: pre-opening services and the franchise license. Under the practical expedient, the Company has elected to account for all pre-opening services as a single performance obligation. Preopening services are recognized when the performance obligation has been met – typically when the franchise location is open for business. Franchise fees related to the franchise license are recognized on a straight-line basis over the initial contract term as the Company provides its continuing services for the franchisee. The franchise term is generally for 8-10 years and renewal options may be signed in conjunction with the initial franchise contract sale.

CONNECT, CONFIDE, AND COLLABORATE, LLC
D/B/A TRUSTEGRITY® GLOBAL
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023, 2022, and 2021

(h) Income Taxes

The entity is structured as a limited liability company (LLC) under the laws of the State of Georgia. A limited liability company is classified as a partnership for federal and state income tax purposes and, accordingly, the income or loss of the Company will be included in the income tax returns of the members. Therefore, there is no provision for federal and state income taxes.

The Company follows the guidance under Accounting Standards Codification (“ASC”) Topic 740, Accounting for Uncertainty in Income Taxes. ASC Topic 740 prescribes a more-likely-than-not measurement methodology to reflect the financial statement impact of uncertain tax positions taken or expected to be taken in the tax return. If taxing authorities were to disallow any tax positions taken by the Company, the additional income taxes, if any, would be imposed on the members rather than the Company. Accordingly, there would be no effect on the Company’s financial statements.

The Company’s income tax returns are subject to examination by taxing authorities for a period of three years from the date they are filed. As of December 31, 2023, the 2022, 2021 and 2020 tax years were subject to examination.

(i) Recently Issued Accounting Pronouncements

In February 2016, the FASB issued ASU 2016-02, Leases, which creates ASC 842, Leases, and supersedes ASC 840, Leases. ASC 842 requires lessees to recognize a right-of-use asset and lease liability for all leases with terms of more than 12 months. Recognition, measurement, and presentation of expenses will depend on classification as a finance or operating lease. The new guidance will be effective for private companies with annual reporting periods beginning after December 15, 2021 and is to be applied retrospectively. The Company had no leases as of December 31, 2023, 2022, and 2021.

(j) Advertising Fund

The Company collects contributions to the Advertising Fund and expenses advertising costs as incurred. Advertising contributions for the years ended December 31, 2023, 2022, and 2021 were \$5,470, \$6,783, and \$4,692, respectively. Advertising fund expenses for the years ended December 31, 2023, 2022, and 2021 were \$11,258, \$30,200, and \$15,000, respectively.

(k) Financial Instruments

For certain of the Company’s financial instruments, including cash and cash equivalents, accounts receivable, long term notes receivable, accounts payable and accrued expenses, the carrying amounts approximate fair value due to their short maturities.

(l) Concentration of Risk

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

(2) Franchise Receivable

Franchise receivables consists of initial franchise fees owed the company as of year-end, but not yet received. As of December 31, 2023 and 2022, the balance was \$25,000 and \$25,000, respectively, related to one franchise agreement signed prior to year-end but not yet collected.

CONNECT, CONFIDE, AND COLLABORATE, LLC
D/B/A TRUSTEGRITY® GLOBAL
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023, 2022, and 2021

(3) Deferred Revenue

The Company's franchise agreements generally provide for a payment of initial fees as well as continuing royalties, technology fees, and marketing fees to the Company based on a percentage of sales. Under the franchise agreement, franchisees are granted the right to operate a location using the Company's system for a period of 8-10 years. Under the Company's revenue recognition policy, franchise fees and any corresponding commissions are recognized when the franchisee begins operations. For any franchisees that have not yet begun operations as of year-end, the Company defers both the revenues and commissions. All locations that are expected to begin operations within the following year are categorized as current, while all others are classified as non-current.

The Company has estimated the following deferred contract costs and revenues as of December 31, 2023, 2022, and 2021:

	2023	2022	2021
Deferred commissions, current	\$ -	\$ -	\$ 2,948
Deferred revenue, current	54,313	43,113	46,754
Deferred revenue, non-current	209,526	\$ 252,639	319,560

Estimated revenues to be recognized in future periods related to deferred franchise fees as reported at December 31, 2023 is as follows:

	Franchise Fees
Year ending December 31:	
2024	\$ 54,313
2025	43,113
2026	43,113
2027	43,113
2028	43,113
Thereafter	37,077
	<u>\$ 263,839</u>

(4) Accrued Expenses

Accrued expenses consist of marketing expenses that were deferred per signed agreement with the Company's marketing consultant. As of December 31, 2023, 2022, and 2021, the balance was \$0, \$5,000, and \$0, respectively.

(5) Equity

The Company's Parent made contributions (distributions) of \$(36,899), \$9,078, and \$(142,052), in the years ended December 31, 2023, 2022, and 2021, respectively.

(6) Related Party Transactions

During the periods ended December 31, 2023, 2022, and 2021, the Company has not incurred rent or payroll expenses. An affiliate through common ownership provides office space and labor at no charge. The Company is not expected to reimburse these costs. Were these expenses to be charged, the Company's net income and members' equity (deficit) would decrease for the years presented. Other operating expenses, such as accounting fees, telephone services, computer equipment and software, and website fees, are allocated to the Company by this same affiliate based on the Company's proportional share of locations in operation.

CONNECT, CONFIDE, AND COLLABORATE, LLC
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(7) Commitments and Contingencies

The Company may be subject to various claims, legal actions and complaints arising in the ordinary course of business. In accounting for legal matters and other contingencies, the Company follows the guidance in ASC Topic 450 Contingencies, under which loss contingencies are accounted for based upon the likelihood of incurrence of a liability. If a loss contingency is “probable” and the amount of loss can be reasonably estimated, it is accrued. If a loss contingency is “probable” but the amount of loss cannot be reasonably estimated, disclosure is made. If a loss contingency is “reasonably possible,” disclosure is made, including the potential range of loss, if determinable. Loss contingencies that are “remote” are neither accounted for nor disclosed.

In the opinion of management, all matters are of such kind, or involve such amounts, that unfavorable disposition, if any, would not have a material effect on the financial position of the Company.

(8) Subsequent Events

Management has reviewed and evaluated subsequent events through June 6, 2024, which is the date the financial statements were issued.

FRANCHISE DISCLOSURE DOCUMENT
TRUSTEGRITY®
EXHIBIT D
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FRANCHISE DISCLOSURE DOCUMENT

TRUSTEGRITY®

EXHIBIT E

DIRECTORY OF CURRENT AND FORMER FRANCHISEES

as of December 31, ~~2022~~2023

Current Franchisees in Operation as of December 31, ~~2022~~2023

<u>Franchisee/Legal Entity</u>	<u>Address</u>	<u>City</u>	<u>State</u>	<u>Zip Code</u>	<u>Telephone #</u>
Stan Alhadeff & David Alexander, At The Table LLC (Atlanta Region, Buckhead)	540 Wembly Circle 4778 Ellington Ct.	Atlanta	GA	3032830067	678-596-0744 800-878-1976
Stan Alhadeff & David Alexander, At The Table LLC (Alpharetta, Roswell, and Cherokee County, GA)	540 Wembly Circle 4778 Ellington Ct.	Atlanta	GA	3032830067	678-596-0744 800-878-1976
Stan Alhadeff & David Alexander, At The Table LLC (Sandy Sprngs, Kennesaw, Marietta E, Ackworth W, N & E Cobb)	540 Wembly Circle 4778 Ellington Ct.	Atlanta	GA	3032830067	678-596-0744 800-878-1976
Stan Alhadeff & David Alexander, At The Table LLC (North Gwinnett County)	540 Wembly Circle 4778 Ellington Ct.	Atlanta	GA	3032830067	678-596-0744 800-878-1976
<u>Steve Landrum</u>	<u>16 Hastings Dr.</u>	<u>Cartersville</u>	<u>GA</u>	<u>30120</u>	<u>770-313-8282</u>
<u>Daniel Steyn, Cornerstone Connections LLC</u>	<u>6425 Northwyck Dr.</u>	<u>Raleigh</u>	<u>NC</u>	<u>27609</u>	<u>612-999-7221</u>
<u>Bishop Beall, Paul Wehrly, and David and Kimberly</u>	<u>1919 Pensco Pond Ct.</u>	<u>Waxhaw</u>	<u>NC</u>	<u>28173</u>	<u>704-904-9047</u>

<u>Alexander, Carolina Roundtable LLC</u>					
<u>Bishop Beall, Paul Wehrly, and David and Kimberly Alexander, Carolina Roundtable LLC</u>	<u>1919 Pensco Pond Ct.</u>	<u>Waxhaw</u>	<u>NC</u>	<u>28173</u>	<u>704-904-9047</u>
Dan Rawls	3474 Navigator Pt.	Knoxville	TN	37922	865-604-4900
Keith Rathbun, Firefly Connection, LLC	1450 Donna Rd.	Lewisburg	TN	37091	931-675-3830
Dan Rawls (SLC East)	12257 South 900 East	Draper	UT	84020	865-604-4900
Dan Rawls (SLC South)	12257 South 900 East	Draper	UT	84020	865-604-4900
Dan Rawls (Utah North)	12257 South 900 East	Draper	UT	84020	865-604-4900
Dan Rawls (Southern Utah)	12257 South 900 East	Draper	UT	84020	865-604-4900

Current Franchisees Who Signed a Franchise Agreement But Are Not Yet Operational as of December 31, ~~2022~~2023

None.

Former Franchisees

There are no franchisees who have had an outlet terminated, cancelled, not renewed, or who have otherwise voluntarily ceased to do business under the Franchise Agreement during the most recently completed fiscal year, or who have not communicated with the Franchisor within ten (10) weeks of the issue date of this Disclosure Document.

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

FRANCHISE DISCLOSURE DOCUMENT

TRUSTEGRITY®

EXHIBIT F

STATE SPECIFIC ADDENDA TO THE FRANCHISE DISCLOSURE DOCUMENT

**ADDENDUM TO THE DISCLOSURE DOCUMENT PURSUANT TO THE
CALIFORNIA FRANCHISE INVESTMENT LAW**

1. The registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the commissioner.
2. The California Franchise Investment Law requires a copy of all proposed agreements relating to the sale of the franchise be delivered together with the Franchise Disclosure Document.
3. California Business and Professions Code 20000 through 20043 provides rights to the franchisee concerning termination or non-renewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.
4. Item 3 of the Disclosure Document is amended to provide that neither the franchisor, nor any person in Item 2 of the Disclosure Document, is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C. § 78(a) et seq., suspending or expelling such persons from membership in that association or exchange.
5. The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law. (11 U.S.C.A. Sec. 101 et seq.).
6. The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.
7. The Franchise Agreement requires binding arbitration. The arbitration will occur in Fulton County, Georgia, with the costs of the arbitrators' fees and the fees payable to the American Arbitration Association being borne jointly by you and us but you must pay your own legal fees, legal expenses, transportation, and travel accommodations.
8. Prospective franchisees are encourage to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a Franchise Agreement restricting venue to a forum outside the State of Georgia.
9. Section 31125 of the California Corporations Code requires us to give you a Disclosure Document, in a form containing the information that the commissioner may by rule or order require, before a solicitation of a proposed material modification of an existing franchise.
10. You must sign a general release if you renew or transfer your franchise. California Corporations Code §31512 voids a waiver of your rights under the Franchise Investment Law California Corporations Code §§31000 through 31516). Business and Professions Code §20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code §§20000 through 20043).
11. OUR WEBSITE, www.trustegrity.com, HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION at www.dfpi.ca.gov.

12. 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. This provision supersedes any other term of any document executed in connection with the franchise.
13. California's Franchise Investment Law (Corporations Code sections 31512 and 31512.1) states that any provision of a franchise agreement or related document requiring the franchisee to waive specific provisions of the law is contrary to public policy and is void and unenforceable. The law also prohibits a franchisor from disclaiming or denying (i) representations it, its employees, or its agents make to you, (ii) your ability to rely on any representations it makes to you, or (iii) any violations of the law.
14. The Department has determined that we, the franchisor, have not demonstrated we are adequately capitalized and/or that we must rely on franchise fees to fund our operations. The Commissioner has imposed a fee deferral condition, which requires that we defer the collection of all initial fees from California franchisees until we have completed all of our pre-opening obligations and you are open for business. For California franchisees who sign a development agreement, the payment of the development and initial fees attributable to a specific unit in your development schedule is deferred until that unit is open.

**ADDENDUM TO THE DISCLOSURE DOCUMENT PURSUANT TO THE
HAWAII FRANCHISE INVESTMENT LAW**

1. THESE FRANCHISES WILL BE/HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

2. THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST FOURTEEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST FOURTEEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

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

4. Registered agent in the state authorized to receive service of process:

Commissioner of Securities
Department of Commerce & Consumer Affairs
Business Registration Division
Securities Compliance Branch
335 Merchant Street, Room 203
Honolulu, Hawaii, 96813
(808) 586-2722

5. Item 3 of the Disclosure Document is amended to provide that neither the franchisor, nor any person in Item 2 of the Disclosure Document, has within the last 10 years, been subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C. § 78(a) et seq., suspending or expelling such persons from membership in that association or exchange or is subject to any currently effective order or ruling of the Federal Trade Commission or is subject to any currently effective order relating to business activity as a result of an action brought by any public agency or department.

**ADDENDUM TO THE DISCLOSURE DOCUMENT PURSUANT TO THE
ILLINOIS FRANCHISE DISCLOSURE ACT**

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

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

Section 4 of the Illinois Franchise Disclosure 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 Illinois Franchise Disclosure Act provides that any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure 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 Illinois Franchise Disclosure Act.

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. This provision supersedes any other term of any document executed in connection with the franchise.

**ILLINOIS AMENDMENT
TO FRANCHISE AGREEMENT**

Franchisor and Franchisee hereby agree that the Franchise Agreement dated _____, will be amended as follows:

1. ~~The provisions~~ Illinois law governs the agreements between the parties to this franchise.
- ~~1.2.~~ Section 4 of the Illinois Franchise Disclosure Act of 1987 (the "Act") shall supersede provides that any provisions of the Franchise Agreement or Georgia law which are provision in conflict with a franchise agreement that designates jurisdiction of venue outside the Act State of Illinois is void. However, a franchise agreement may provide for arbitration outside of Illinois.
- ~~2.3.~~ Section 41 of the Illinois Franchise Disclosure Act states provides that "any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act is void." Nothing in the Franchise Agreement waives any rights Franchisee may have under Section 41 of the Illinois Franchise Disclosure Act of 1987 or any other law of Illinois is void.
1. ~~Any provision that designates jurisdiction or venue or requires you to agree to litigate in a forum outside of Illinois is void with respect to any cause of action which is otherwise enforceable in Illinois, except that arbitration may take place outside of Illinois.~~
4. Franchisee's rights upon termination and non-renewal of a franchise agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.
- ~~3.5.~~ No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

IN WITNESS WHEREOF, Connect, Confide, and Collaborate LLC, and Franchisee have duly executed and delivered this Amendment as of the date set forth above.

Franchisor:

Franchisee:

Connect, Confide, and Collaborate LLC

By: _____

By: _____

Its: _____

Its: _____

(title)

(title)

**ADDENDUM TO THE DISCLOSURE DOCUMENT PURSUANT TO THE
INDIANA FRANCHISE DECEPTIVE FRANCHISE PRACTICES ACT**

Notwithstanding anything to the contrary set forth in the Disclosure Document, the following provisions shall supersede and apply to all franchises offered and sold in the State of Indiana:

1. The laws of the State of Indiana supersede any provisions of the Franchise Agreement, the other agreements or Georgia law if such provisions are in conflict with Indiana law.
2. The prohibition by Indiana Code § 23-2-2.7-1(7) against unilateral termination of the franchise without good cause or in bad faith, good cause being defined therein as material breach of the Franchise Agreement, shall supersede the provisions of Section 18 or Section 19 of the Franchise Agreement in the State of Indiana to the extent they may be inconsistent with such prohibition.
3. The Franchise Agreement is subject to Indiana Code § 23-2-2.7-1(2) and § 23-2-2.7-2(4) which prohibit us from competing unfairly with you within a reasonable area.
4. No release language set forth in the Disclosure Document or Franchise Agreement shall relieve us or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Indiana.
5. Section 23 of the Franchise Agreement is amended to provide that such agreement will be construed in accordance with the laws of the State of Indiana.
6. Any provision in the Franchise Agreement which designates jurisdiction or venue, or requires you to agree to jurisdiction or venue, in a forum outside of Indiana, is deleted from any Franchise Agreement issued in the State of Indiana.

INDIANA AMENDMENT TO FRANCHISE AGREEMENT

Franchisor and Franchisee hereby agree that the Franchise Agreement dated _____, will be amended as follows:

1. The laws of the State of Indiana supersede any provision of the Franchise Agreement or Georgia Law if such provisions are in conflict with Indiana law. The Franchise Agreement will be governed by Indiana law.

2. The following language is added to Sections 4.2.5 and 16.2.8 of the Franchise Agreement: “except that the general release provisions shall not apply to any liability under the Indiana Deceptive Franchise Practices Law.”

3. Choice of forum for litigation will not be limited to the State of Georgia.

Franchisor:

Franchisee:

Connect, Confide, and Collaborate LLC

By: _____

By: _____

Its: _____

Its: _____

(title)

(title)

**ADDENDUM TO THE DISCLOSURE DOCUMENT PURSUANT TO THE
MARYLAND FRANCHISE REGISTRATION AND DISCLOSURE LAW**

Notwithstanding anything to the contrary set forth in the Disclosure Document, the following provisions shall supersede and apply to all franchises offered and sold in the State of Maryland:

1. The following sentence is added to the end of the “Summary” section of Item 17(c) and Item 17(m): “However, any general release required as a condition for our approval of a transfer, renewal, or assignment of your Franchise Agreement will not apply to claims arising under the Maryland Franchise Registration and Disclosure Law.”

2. Item 17(v) and Item 17(w) are deleted and replaced by the following:

v. Choice of Forum	Section 20.1, 23.6	Fulton County, Georgia (except for claims arising under the Maryland Franchise Registration and Disclosure Law)
w. Choice of Law	Section 23.6	Georgia (except that you may bring a claim arising under the Maryland Franchise Registration and Disclosure Law in Maryland)

3. Item 17 is amended by adding the following at the end of the section: “Despite any provision in the Franchise Agreement to the contrary, any claim arising under the Maryland Franchise Registration and Disclosure Law must be commenced within 3 years from the grant of the franchise.”

4. 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. This provision supersedes any other term of any document executed in connection with the franchise.

**MARYLAND AMENDMENT
TO FRANCHISE AGREEMENT**

Franchisor and Franchisee hereby agree that the Franchise Agreement dated _____, will be amended as follows:

1. Notwithstanding anything to the contrary in the Franchise Agreement, all initial fees and payments payable to us are deferred until we complete our initial obligations to you under the Franchise Agreement.

2. The laws of the State of Maryland may supersede the Franchise Agreement, including the areas of termination and non-renewal.

3. The following language is added to Section 16.4.8 of the Franchise Agreement:

“except that the general release provisions shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.”

4. The following language is added to Section 20 of the Franchise Agreement:

“Franchisee may bring a lawsuit in Maryland for claims arising out of the Maryland Franchise Registration and Disclosure Law. All claims arising under the Maryland Franchise Registration and Disclosure Law (Md. Code Bus. Reg., Sections 14-201 through 14-233) shall be commenced within three (3) years after the grant of the franchise.”

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

[Signatures on the following page]

IN WITNESS WHEREOF, Franchisor and Franchisee have duly executed and delivered this Amendment as of the date set forth above.

Franchisor:
Connect, Confide, and Collaborate LLC

Franchisee:

By: _____

Its: _____

By: _____

(title)

Its: _____

(title)

**ADDENDUM TO THE DISCLOSURE DOCUMENT PURSUANT TO THE
MICHIGAN FRANCHISE INVESTMENT LAW**

Notwithstanding anything to the contrary set forth in the Disclosure Document, the following provisions shall supersede and apply to all franchises offered and sold in the State of Michigan:

The State of Michigan prohibits certain unfair provisions that are sometimes in franchise documents. If any of the following provisions are in these franchise documents, the provisions are void and cannot be enforced against you.

1. A prohibition on your right to join an association of franchisees.
2. A requirement that you assent to a release, assignment, novation, waiver or estoppel which deprives you of rights and protections provided in this Act. This shall not preclude you, after entering into a license agreement, from settling any and all claims.
3. A provision that permits us to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include your failure to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.
4. A provision that permits us to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the license of your inventory, supplies, equipment, fixtures and furnishings. Personalized materials which have no value to us and inventory, supplies, equipment, fixtures and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applied only if (i) the term of the franchise is less than 5 years and (ii) you are prohibited by the license or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising of other commercial symbol in the same area subsequent to the expiration of the franchise or you do not receive at least 6 months advance notice of our intent not to renew the franchise.
5. A provision that permits us to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.
6. A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude you from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.

7. A provision which permits us to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent us from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:
 - a. The failure of the proposed transferee to meet our then current reasonable qualifications or standards.
 - b. The fact that the proposed transferee is a competitor of us or sub-franchisor.
 - c. The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.
 - d. The failure of you or the proposed transferee to pay any sums we are owed or to cure any default in the license agreement existing at the time of the proposed transfer.

8. A provision that requires you to resell to us items that are not uniquely identified with us. This subdivision does not prohibit a provision that grants us a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if you have breached the lawful provisions of the license agreement and has failed to cure the breach in the manner provided in subdivision (c).

9. A provision which permits us to directly or indirectly convey, assign, or otherwise transfer our obligations to fulfill contractual obligations to you unless provisions has been made for providing the required contractual service.

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

ANY QUESTIONS REGARDING THIS NOTICE SHOULD BE DIRECTED TO THE OFFICE OF THE ATTORNEY GENERAL, CONSUMER PROTECTION DIVISION, ATTN: FRANCHISE DEPARTMENT, 525 W. OTTAWA STREET, 670 G. MENNAN WILLIAMS BLDG., LANSING, MICHIGAN 48933 (517) 373-7117.

**ADDENDUM TO THE DISCLOSURE DOCUMENT PURSUANT TO THE
MINNESOTA FRANCHISE INVESTMENT LAW**

Notwithstanding anything to the contrary set forth in the Disclosure Document or Franchise Agreement, as applicable, the following provisions shall supersede and apply to all franchises offered and sold in the State of Minnesota:

1. The following language is added to Item 13 of the Disclosure Document and Section 14 of the Franchise Agreement:

“The Minnesota Department of Commerce requires the Franchisor to indemnify Minnesota franchisees against liability to third parties resulting from claims by third parties that the Franchisee’s use of the tradename infringes trademark rights of the third party. Franchisor indemnifies Franchisee against the consequences of Franchisee’s use of the tradename in accordance with the requirements of the license, and, as a condition to indemnification, Franchisee must provide notice to Franchisor of any such claims within ten (10) days and tender the defense of the claim to Franchisor. If Franchisor accepts the tender of defense, Franchisor has the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.”

2. Item 17 of the Disclosure Document and Section 23 of the Franchise Agreement are amended as follows:

“With respect to franchises governed by Minnesota law, Franchisor will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4, and 5 which require, except in certain specified cases, that a Franchisee be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice for non-renewal of the Franchise Agreement.”

3. No release language set forth in the Franchise Agreement shall relieve Franchisor or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Minnesota.

4. Item 17 of the Disclosure Document is amended to add the following and the following language will appear at the end of Section 23 of any Franchise Agreement issued in the State of Minnesota:

“Pursuant to Minnesota Statutes, Section 80C.21 and Minn. Rule Part 2860-4400J, this Section shall not in any way abrogate or reduce any rights of the Franchisee as provided for in the Minnesota Statutes Chapter 80C.”

5. Item 17 of the Disclosure Document and Section 23 of the Franchise Agreement are amended as follows:

“Nothing contained herein shall limit Franchisee’s right to submit matters to the jurisdiction of the courts of Minnesota to the full extent required by Minn. Rule 2860.4407J.”

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. This provision supersedes any other term of any document executed in connection with the franchise.

7. Items 5 and 7 of the Disclosure Document and the Franchise Agreement are amended as follows:

The Franchisor shall defer collecting the Initial Franchise Fee until it has performed all of its preopening obligations to the Franchisee and the Franchisee has opened for business.

**MINNESOTA AMENDMENT
TO FRANCHISE AGREEMENT**

Notwithstanding anything to the contrary set forth in the Disclosure Document, the following provisions shall supersede and apply to all franchises offered and sold in the State of Minnesota:

Franchisor and Franchisee hereby agree that the Franchise Agreement dated _____, will be amended as follows:

1. Section 14 of the Franchise Agreement is amended to add the following language:

“The Minnesota Department of Commerce requires the Franchisor to indemnify Minnesota franchisees against liability to third parties resulting from claims by third parties that the Franchisee’s use of the tradename infringes trademark rights of the third party. Franchisor indemnifies Franchisee against the consequences of Franchisee’s use of the tradename in accordance with the requirements of the license, and, as a condition to indemnification, Franchisee must provide notice to Franchisor of any such claims within ten (10) days and tender the defense of the claim to Franchisor. If Franchisor accepts the tender of defense, Franchisor has the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.”

2. Section 18 of the Franchise Agreement is amended to read as follows:

“With respect to franchises governed by Minnesota law, Franchisor will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4, and 5 which require, except in certain specified cases, that a Franchisee be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice for non-renewal of the Franchise Agreement.”

3. Franchisor will protect the Franchisee’s right granted hereby to use the Marks or will indemnify the Franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the Marks.

4. Section 23 of the Franchise Agreement is amended as follows:

“Minn. Stat. §80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Disclosure Document or agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by laws of the jurisdiction.”

5. Minn. Rule 2860.4400J prohibits waiver of a jury trial. Accordingly, Section 23 of the Franchise Agreement is amended as follows:

“Nothing contained herein shall limit Franchisee’s right to submit matters to the jurisdiction of the courts of Minnesota to the full extent required by Minn. Rule 2860.4400J. Any claims pursuant to Minn. Stat. Sec. 80C.17 may be commenced within the time period provided in Minn. Stat. Sec. 80C.17, subd. 5.”

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. This provision supersedes any other term of any document executed in connection with the franchise.
7. Deferral. The Franchisor shall defer collecting the Initial Franchise Fee until it has performed all of its preopening obligations to the Franchisee and the Franchisee has opened for business.

IN WITNESS WHEREOF, Franchisor and Franchisee have duly executed and delivered this Amendment as of the date set forth above.

Franchisor:

Franchisee:

Connect, Confide, and Collaborate LLC

By: _____

By: _____

Its: _____

Its: _____

(title)

(title)

**ADDENDUM TO THE DISCLOSURE DOCUMENT PURSUANT TO THE
NEW YORK FRANCHISE LAW**

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

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

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

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

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

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

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

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10 year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity

as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of the “Summary” sections of Item 17(c), titled “**Requirements for franchisee to renew or extend**,” and Item 17(m), entitled “**Conditions for franchisor approval of transfer**”:

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

4. The following language replaces the “Summary” section of Item 17(d), titled “**Termination by franchisee**”:

You may terminate the agreement on any grounds available by law.

5. The following is added to the end of the “Summary” sections of Item 17(v), titled “**Choice of forum**”, and Item 17(w), titled “**Choice of law**”:

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

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

7. Receipts--Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 et seq.), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earlier of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

**NEW YORK AMENDMENT
TO FRANCHISE AGREEMENT**

Franchisor and Franchisee hereby agree that the Franchise Agreement dated _____, will be amended as follows:

6.8. The following is added to Section 18 of the Franchise Agreement:

“Franchisee may terminate this Agreement upon any grounds available at law.”

7.9. The following is added to Section 23 of the Franchise Agreement:

“This section shall not be considered a waiver of any right conferred upon you by the provisions of Article 33 of the New York State General Business Law and the regulations issued thereunder.”

IN WITNESS WHEREOF, Franchisor and Franchisee have duly executed and delivered this Amendment as of the date set forth above.

Franchisor:

Franchisee:

Connect, Confide, and Collaborate LLC

By: _____

By: _____

Its: _____

Its: _____

(title)

(title)

**ADDENDUM TO THE DISCLOSURE DOCUMENT PURSUANT TO THE
NORTH DAKOTA FRANCHISE LAW**

Notwithstanding anything to the contrary in the Disclosure Document, the following provisions shall supersede and apply to all franchises offered and sold in the State of North Dakota:

THE SECURITIES COMMISSIONER HAS HELD THE FOLLOWING TO BE UNFAIR, UNJUST OR INEQUITABLE TO NORTH DAKOTA FRANCHISEES (NDCC SECTION 51-19-09):

1. Restrictive Covenants: Franchise disclosure documents that disclose the existence of covenants restricting competition contrary to NDCC Section 9-08-06, without further disclosing that such covenants will be subject to the statute.
2. Situs of Arbitration Proceedings: Franchise agreements providing that the parties must agree to the arbitration of disputes at a location that is remote from the site of the franchisee's business.
3. Restrictions on Forum: Requiring North Dakota franchisees to consent to the jurisdiction of courts outside of North Dakota.
4. Liquidated Damages and Termination Penalties: Requiring North Dakota franchisees to consent to liquidated damages or termination penalties.
5. Applicable Laws: Franchise agreements that specify that they are to be governed by the laws of a state other than North Dakota.
6. Waiver of Trial by Jury: Requiring North Dakota Franchises to consent to the waiver of a trial by jury.
7. Waiver of Exemplary and Punitive Damages: Requiring North Dakota Franchisees to consent to a waiver of exemplary and punitive damage.
8. General Release: Franchise Agreements that require the franchisee to sign a general release upon renewal of the franchise agreement.
9. Limitation of Claims: Franchise Agreements that require the franchisee to consent to a limitation of claims. The statute of limitations under North Dakota law applies.
10. Enforcement of Agreement: Franchise Agreements that require the franchisee to pay all costs and expenses incurred by the franchisor in enforcing the agreement. The prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.

**NORTH DAKOTA AMENDMENT
TO FRANCHISE AGREEMENT**

Franchisor and Franchisee hereby agree that the Franchise Agreement dated _____, will be amended as follows:

1. Section 13 of the Franchise Agreement is amended to add the following:

“Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota.”

2. The laws of the State of North Dakota supersede any provisions of the Franchise Agreement, the other agreements or Georgia law if such provisions are in conflict with North Dakota law.
3. Any provision in the Franchise Agreement which designates jurisdiction or venue, or requires the Franchisee to agree to jurisdiction or venue, in a forum outside of North Dakota, is deleted from any Franchise Agreement issued in the State of North Dakota.

IN WITNESS WHEREOF, Franchisor and Franchisee have duly executed and delivered this Amendment as of the date set forth above.

Franchisor:

Franchisee:

Connect, Confide, and Collaborate LLC

By: _____

By: _____

Its: _____

Its: _____

(title)

(title)

**ADDENDUM TO THE DISCLOSURE DOCUMENT PURSUANT TO THE
RHODE ISLAND FRANCHISE DISCLOSURE ACT**

1. Item 17(v) Summary section is amended to read: “We must litigate in the state and judicial district where we maintain our principal place of business except that to the extent required by applicable law, you may bring an action in Rhode Island for claims arising under the Rhode Island Franchise Investment Act.”

**RHODE ISLAND AMENDMENT
TO FRANCHISE AGREEMENT**

Franchisor and Franchisee hereby agree that the Franchise Agreement dated _____, will be amended as follows:

1. The laws of the State of Rhode Island supersede any provisions of the Franchise Agreement, the other agreements or Georgia law if such provisions are in conflict with Rhode Island law.

2. Any provision in the Franchise Agreement which designates jurisdiction or venue, or requires the Franchisee to agree to jurisdiction or venue, in a forum outside of Rhode Island, is deleted from any Franchise Agreement issued in the State of Rhode Island.

IN WITNESS WHEREOF, Franchisor and Franchisee have duly executed and delivered this Amendment as of the date set forth above.

Franchisor:

Franchisee:

Connect, Confide, and Collaborate LLC

By: _____

By: _____

Its: _____

Its: _____

(title)

(title)

**ADDENDUM TO THE DISCLOSURE DOCUMENT PURSUANT TO THE
WASHINGTON FRANCHISE INVESTMENT LAW**

Notwithstanding anything to the contrary in the Disclosure Document, the following provisions shall supersede and apply to all franchises offered and sold in the State of Washington.

1. If any of the provisions in the Disclosure Document or Franchise Agreement are inconsistent with the relationship provisions of RCW 19.100.180 or other requirements of the Washington Franchise Investment Protection Act (the "Act"), the provisions of the Act will prevail over the inconsistent provisions of the Disclosure Document and Franchise Agreement with regard to any franchises sold in Washington.
2. In any arbitration involving a franchise purchased in Washington, the arbitration site shall be either in Washington or in a place as mutually agreed upon at the time of the arbitration, or as determined by the arbitrator.
3. The State of Washington's policy pursuant to its Administrative Regulations pertaining to releases is as follows: The requirement of a release by the Franchisee to Franchisor is acceptable so long as it does not include a release of the Franchisee's claims under the Washington Franchise Investment Protection Act.
4. Item 17 is amended to add the following: "These states have statutes which limit the franchisor's ability to restrict your activity after the Franchise Agreement has ended: Florida Statutes Section 542.33, Michigan Compiled Laws Section 445.771 et seq., Montana Codes Section 30-14-201, North Dakota Century Code Section 9-08-06, Oklahoma Statutes Section 15-217-19, Washington Code Section 19.86.030. Other states have court decisions limiting the franchisor's ability to restrict your activity after the Franchise Agreement has ended.
5. A provision in the Franchise Agreement which terminates the franchise upon bankruptcy of the franchise may not be enforceable under Title 11, United States Code Section 101.

**WASHINGTON AMENDMENT TO THE FRANCHISE DISCLOSURE DOCUMENT,
FRANCHISE AGREEMENT, AND RELATED AGREEMENTS**

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

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

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

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

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

[Signatures on the following page]

IN WITNESS WHEREOF, Franchisor and Franchisee have duly executed and delivered this Amendment as of the date set forth above.

Franchisor:

Franchisee:

Connect, Confide, and Collaborate LLC

By: _____

By: _____

Its: _____

Its: _____

(title)

(title)

FRANCHISE DISCLOSURE DOCUMENT
TRUSTEGRITY®
EXHIBIT G
STATE EFFECTIVE DATES AND RECEIPTS

STATE EFFECTIVE DATES

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

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

<u>State</u>	<u>Effective Date</u>
California	
Hawaii	
Illinois	
Indiana	
Maryland	
Michigan	
Minnesota	
New York	
North Dakota	
Rhode Island	
South Dakota	
Virginia	
Washington	
Wisconsin	

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

RECEIPTS

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 Trustegrity® Global offers you a franchise, it must provide this Disclosure Document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale (or sooner if required by applicable state law).

If Trustegrity® Global 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 the applicable state agency identified on **Exhibit A**.

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

Name	Principal Business Address	Telephone Number
David Alexander	4778 Ellington Court, Marietta, GA 30067	800-878-1976

The issuance date of this Franchise Disclosure Document is ~~June 23, 2023~~ July 16, 2024.

Trustegrity® Global authorizes the respective state agents identified on Exhibit A to receive service of process for it in the particular states.

~~I received a Disclosure Document from Trustegrity® Global dated July 16, 2024. Trustegrity® Global authorizes the respective state agents identified on Exhibit A to receive service of process for it in the particular states.~~

~~I received a Disclosure Document from Trustegrity® Global dated June 23, 2023 that included the following Exhibits:~~

- Exhibit A: List of Agents for Service of Process
- Exhibit B: Franchise Agreement
- Exhibit C: Financial Statements
- Exhibit D: Table of Contents of Operations Manual
- Exhibit E: List of Franchisees
- Exhibit F: State Prescribed Variations
- Exhibit G: State Effective Dates and Receipts

Date of Receipt

Signature:

(If individuals)

Prospective Franchisee

(If corporation or other entity)

Prospective Franchisee

Print Name of Entity - Prospective Franchisee

Print Name of Entity - Prospective Franchisee

By: _____ By: _____

Its: _____ Its: _____

(Title)

Please return this Receipt to:

Connect, Confide, and Collaborate LLC d/b/a Trustegritty® Global, 4778 Ellington Court Marietta, GA 30067

Date, Sign and Keep a Copy for Your Own Records

RECEIPTS

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 Trustegritty® Global offers you a franchise, it must provide this Disclosure Document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale (or sooner if required by applicable state law).

If Trustegritty® Global 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 the applicable state agency identified on **Exhibit A**.

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

Name	Principal Business Address	Telephone Number
David Alexander	4778 Ellington Court, Marietta, GA 30067	800-878-1976

The issuance date of this Franchise Disclosure Document is ~~June 23, 2023~~, is July 16, 2024.

Trustegritty® Global authorizes the respective state agents identified on Exhibit A to receive service of process for it in the particular states.

~~I received a Disclosure Document from Trustegritty® Global dated July 16, 2024 that Trustegritty® Global authorizes the respective state agents identified on Exhibit A to receive service of process for it in the particular states.~~

~~I received a Disclosure Document from Trustegritty® Global dated June 23, 2023 that~~ included the following Exhibits:

- Exhibit A: List of Agents for Service of Process
- Exhibit B: Franchise Agreement
- Exhibit C: Financial Statements
- Exhibit D: Table of Contents of Operations Manual
- Exhibit E: List of Franchisees
- Exhibit F: State Prescribed Variations
- Exhibit G: State Effective Dates and Receipts

Date of Receipt

Signature:
(If individuals)

Prospective Franchisee
(If corporation or other entity)

Prospective Franchisee

Print Name of Entity - Prospective Franchisee Print Name of Entity - Prospective Franchisee

By: _____ By: _____

Its: _____ Its: _____

(Title)

Please return this Receipt to:

Connect, Confide, and Collaborate LLC d/b/a Trustegrity® Global, 4778 Ellington Court Marietta, GA
30067

Date, Sign and Keep a Copy for Your Own Records