



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

FRANCHISE DISCLOSURE DOCUMENT

ISSUANCE DATE: APRIL 19, 2024

FRANCHISE DISCLOSURE DOCUMENT



RobotLAB Franchising,
LLC A Delaware limited liability
company 950 East State Highway
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415-702-3033

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www.RobotLAB.com

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

The total investment necessary to begin operation of a RobotLAB Franchised Business is \$156,755 to \$470,765. This includes from \$72,400 to \$167,900 that must be paid to the franchisor or its affiliates.

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

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

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

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

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

Issuance Date: April ~~17~~19, 2024

Special Risks to Consider About *This* Franchise

Certain states require that the following risks be highlighted:

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation or binding arbitration only in Texas. Out-of-state arbitration may force you to accept a less favorable settlement for disputes. It may also cost more to arbitrate with the franchisor in Texas than in your own state.
2. **Spousal Liability.** ~~Your~~ At the Franchisor's request, your spouse must sign a document making your spouse liable for all financial obligations under the ~~franchise agreement~~ Franchise Agreement, even ~~though-if~~ your spouse ~~may not have~~ has no ownership interest in the franchise. This ~~guarantee~~ Guarantee will place both your and your spouse's marital and personal assets, ~~(perhaps including your house,)~~ at risk if your franchise fails.
3. **Short Operating History.** The franchisor is at an early ~~state~~ stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.
4. **Sales Performance Required.** You must maintain minimum sales performance levels. Your inability to maintain these levels may result in loss of any territorial rights you are granted, termination of your franchise, and loss of your investment.
5. **Supplier Control.** You must purchase all or nearly all of the inventory or supplies that are necessary to operate your business from the franchisor, its affiliates, or suppliers that the franchisor designates, at prices the franchisor or they set. These prices may be higher than prices ~~than~~ you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your franchise business.
6. **Financial Condition.** The franchisor's financial condition, as reflected in its financial statements (see Item 21), calls into question the franchisor's financial ability to provide services and support to you.

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

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EXHIBITS

- A. FINANCIAL STATEMENTS
- B. LIST OF STATE ADMINISTRATORS & AGENTS FOR SERVICE OF PROCESS
- C. LIST OF CURRENT AND FORMER FRANCHISEES
- D. OPERATIONS MANUAL TABLE OF CONTENTS
- E. FRANCHISE AGREEMENT AND ATTACHMENTS
- F. RESERVED
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- H. FORM OF CONFIDENTIALITY AND NON-COMPETE AGREEMENT
- I. STATE SPECIFIC ADDENDA
- J. FORM OF FINANCING AGREEMENT
- K. STATE EFFECTIVE DATES RECEIPTS

Franchisees operate under the brand name and logo “RobotLAB” (collectively the “Marks”, as further described in Item 13) under the terms of the franchise agreement in the form included in this Disclosure Document, as Exhibit E (the “Franchise Agreement”). Our Franchised Businesses offer high quality automated robots for a multitude of industries for retail. If you enter into a Franchise Agreement, you must pay us a one-time franchise fee upon execution of your Franchise Agreement, as defined below in Item 5 below and in the Franchise Agreement.

Marketing, the System, the Marks, and the Manuals

We have developed a marketing strategy which creates a certain product image in the minds of customers, a business strategy for obtaining and retaining customers, and a distribution method for products and services. We have developed all these areas of business as part of its overall System (the “System”), which you will license from us under the franchise agreement. We use and license certain service marks and trademarks, logos, trade dress, and other commercial symbols (collectively the “Marks”), including but not limited to, the service mark “RobotLAB,” which you will receive the right to use. We may, in the future, modify the Marks as well as add new trademarks, service marks, logos, trade dress, and other commercial symbols.

The purchase of a Franchised Business permits you: (i) to use the Marks; (ii) to obtain access to the distinctive operational and management attributes of the System, including confidential manuals describing complete guidelines for the operation of a Franchised Business (the “Manuals”); (iii) the right to use our Approved Suppliers (see Item 8); and (iv) to receive the benefits of association with an expanding franchising organization, including various forms of opening and operational assistance from us (see Item 11). You must comply with all of the requirements described in the Franchise Agreement and in the Manuals. ~~This compliance assures uniform and consistent application of the System which is essential to the successful operation of your Franchised Business.~~

The Market and Competition

The market for businesses that offer automated robots for the restaurant, hospitality, assisted-living, warehouse, government, entertainment, education, and medical industries is small, competitive, and growing. As a result, you will likely face significant competition in the future operation of your Franchised Business, both directly and indirectly, from similar retailers as well as other established robotics manufacturers. Several of these competitors may be regional or national systems. Several of these competitors may have significantly greater financial resources than us and you. The market for services offered by Franchised Businesses is not seasonal in nature.

Laws and Regulations Affecting the Business

You must comply with all laws, rules, and regulations governing the operation of the Franchised Business and obtain all licenses and permits necessary to operate your Franchised Business. We have not investigated the laws or regulations applicable to your Franchised Business. You are solely responsible for investigating all applicable federal, state, and local laws and regulations, and your cost to comply with such laws and regulations, and you should do so before purchasing a franchise from us. We strongly suggest that you consult with an attorney, consultant and/or financial advisor regarding such regulations prior to purchasing a franchise from us. Applicable laws and regulations are subject to change.

Your Business may also be subject to various employment regulations concerning wage rates, mandated employee benefits, employment taxes, worker safety, unemployment compensation, workers’ compensation, teenage labor practices, disabled employees, and discrimination in employment practices. You will be subject to the Americans with Disabilities Act which prohibits practices that discriminate against physically and mentally challenged individuals regarding access to public accommodations and employment opportunities. There may be other laws and codes applicable to your

**ITEM 6.
OTHER FEES**

Type of Fee ¹	Amount	Due Date	Remarks
Royalty Fee	7% of all your Gross Revenue ²	Per Transaction	We will deduct this fee from the revenue we collect through our centralized payment systems prior to distributing the balance to you.
Brand Fund Contribution	Up to 3% of Gross Revenue. Currently 1% of Gross Revenue	Same as Royalty	The purpose of the Brand Fund is to support general development and recognition of the RobotLAB brand. We will deduct this fee from your revenue we collect through our centralized payment systems, prior to distributing the balance to you. We may specify a different Brand Fund contribution, not to exceed 3% of Gross Revenue, upon notice to you.
Local Area Marketing Requirement	Currently, a minimum of 3% of Gross Revenue. May be increased to a maximum of 5% of Gross Revenue.	Monthly, as incurred.	<p>You will pay us, and we will perform: 1. At least one local event for your Protected Territory, annually; 2. Dedicate a cold-calling campaign to drive leads and appointments for your Protected Territory; 3. Establish a pass-through lead program for all leads and appointments we get in your Protected Territory, 4. Invite you to attend shows and conferences with us, if they are in your Protected Territory, 5. Grant you access to nation-wide corporate accounts we have relationships with, 6. Run Social Media campaigns on your behalf, and 7. Assign existing customers to you, and pay you for the remainder time on their contract for services they paid us to perform.</p> <p>We recommend you spend additional amounts on your own to local vendors and media outlets.</p>
Transfer Fee	Whichever is greater: (i) \$10,000, or (ii) 25% of the then current franchise fee, per Protected Territory	Before completion of transfer	See Note 3 below. Subject to applicable state law.

Type of Fee ¹	Amount	Due Date	Remarks
	franchise fee, per Protected Territory		Agreement. See Item 17 for more information on renewal of your franchise agreement.
Technology Fees	Currently \$485 per person in your organization with an email address or access to any of the online systems, per month	Monthly	<p>Due by the 5th day of every month. Subject to change upon 30 days written notice to you. <u>There is no maximum we can charge you. As you add employees, we will increase your Technology Fee accordingly.</u></p> <p>This fee gives you and your employees access to all systems REQUIRED to run your Franchised Business, including, but not limited to: CRM software such as Salesforce, accounting, marketing, lead- and deal-nurturing automation, dialers and text messaging, online meetings, internal communication, online learning system, task management, customer support and ticketing, Microsoft Office suite, digital contract signing and event management.</p>
Employee Laptops	\$1,500 each	Upon onboarding a new employee. (Creation of a new email address)	<p>We require you to purchase from us or our affiliate a new laptop with preloaded programs for each new employee.</p> <p>This will ensure all systems we use are configured correctly, and employees do not waste time and resources on wrong configurations.</p>
Market Cooperative Contribution	Currently not assessed; capped at a maximum of 5% of Gross Revenue.	As determined upon implementation. Currently there is no Cooperative, but we reserve the right to implement one in the future, implemented by us or the franchisees.	<p>Not currently assessed. If the Franchisor forms a regional advertising or brand awareness co-op, you must contribute to the co-op. Any amount you must contribute to the co-op will be credited against the required local advertising expenditure.</p> <p>Any Franchisor-owned outlets shall be treated equal to a franchisee outlet as it relates to voting power and implementing fees.</p>

<u>Type of Fee¹</u>	<u>Amount</u>	<u>Due Date</u>	<u>Remarks</u>
Centrally Managed Key Account Fee (not initiated by you)	10% of the contract amount, including all future service revenues, is due to you if you choose to perform the services	Same as Royalty Fee	We may manage or provide support services to national and/or regional accounts (“Key Accounts”) that require centralized overview and support, and for purposes of responding to requests and referrals for services through the franchise <u>system, managing those relationships, answering calls placed to the toll-free number or a national account on-line access system. You must have our prior approval to provide services to any Key Accounts.</u>

Type of Fee¹	Amount	Due Date	Remarks
			system, managing those relationships, answering calls placed to the toll-free number or a national account on-line access system. You must have our prior approval to provide services to any Key Accounts.

Locally Managed Key Account Fee	You will pay 5% from the initial invoice amount for customers in your Territory, to the entity that closed the Key Account deal	Same as Royalty Fee	We apply this fee when we enter into a contract with a Key Account, but the contracts are managed locally at the location where you will service customers.
Insurance	Actual costs	Upon request by third-party insurance company or directly to RobotLAB	If not facilitated by RobotLAB Admin, payable to third-party insurance provider or if you fail to pay your insurance premium to a third-party insurance company and we pay it on your behalf. Or, in the future event that we aggregate the insurance needs of our franchisees and serve as the broker or provider. See Note 7 below.
Interest Expenses	Lesser of: (i) 18% per year, or (ii) maximum rate allowed by law	When due	Payable if any fee or other amounts due are not timely paid.

<p>Encroachment Fee</p>	<p>You will split the profits, 50/50, of sales outside your Protected Territory with either us or the encroached franchisee. You will be solely responsible for all expenses associated with any such sales.</p>	<p>Same as Royalty Fee</p>	<p>You will be required to obtain our written approval before marketing and/or selling to customers outside your Protected Territory, including to Key Accounts, which operate outside your Protected Territory.</p> <p>Imposition of such fees are based upon the facts leading up to the alleged encroachment and the determination of whether to charge such fees will be at our sole discretion. See Note 5 below.</p> <p>You should not incur more than one Encroachment Fee in every calendar year. If you do, you will be considered as breached your territory agreement, and may subject to agreement termination.</p>
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<u>Type of Fee¹</u>	<u>Amount</u>	<u>Due Date</u>	<u>Remarks</u>
			<u>agreement, and may subject to agreement termination.</u>
Costs and Attorneys' Fees	Actual costs	When incurred	We shall recover costs and reasonable attorneys' fees if we ultimately prevail in a dispute.
Type of Fee¹	Amount	Due Date	Remarks
Indemnification	Actual costs	Upon the settlement or conclusion of the claim(s) or action(s).	The costs apply to any and all claims filed and pursued by either party, whether through arbitration or litigation.
Credit card processing fee	3.9% of total amount debited	When due, and same as Royalty Fees	Fees will apply if we debit your credit card for any payment to us.
Replacement/ Additional Training Fee	Currently, we do not require an additional fee.	Prior to attending training	You, your members, and one key employee shall be able to attend the initial training program at no cost, except that you shall be responsible for expenses associated with travel and lodging. We may in the future, but currently do not, charge for your replacement or additional trainees. We welcome, free of charge, any first-degree family members, including children 14 years old and older, to join us for any training and events.
Late Payment Fee	\$1,000 per late payment plus interest on the unpaid amount at a rate equal to 18% per year (or, if such payment exceeds the maximum allowed by law, then interest at the highest rate allowed by law)	When due	We may charge a late fee if you fail to make a required payment when due. The late fee applies to all amounts not paid when due until paid in full.

<u>Type of Fee¹</u>	<u>Amount</u>	<u>Due Date</u>	<u>Remarks</u>
End-Of-Year Summary and New Year Kick-Off Franchise Owner Summit & Attendance Fee	Up to \$750 per attendee	Prior to each Franchise Owner Summit	All Franchisee team members (sales, marketing, technicians, owner, etc.) must attend each Summit (1 per calendar year) at our HQ, or at a place of our choice. If Franchisee personnel cannot attend in person, they must join all sessions remotely. Franchisee must pay to Franchisor an amount equal to the attendance fee for each attendee, regardless of if in person or online. Other additional costs (such as room, board, and travel) are the responsibility of the Franchisee. We welcome, free of charge, any first-degree family members, including children 14 years old and older, to join us for any training and events.
Approval of Supplier Fee	Reasonable cost of examination and <u>approval of a supplier, requested by Franchisee</u>	Prior to examination	See Section 8(D) in the franchise agreement.

Type of Fee¹	Amount	Due Date	Remarks
	approval of a supplier, requested by Franchisee		

Notes:

1. Except where otherwise noted, all fees are payable to us, are uniformly imposed, and are non-refundable. We require you to allow us to withdraw Royalty Fees, Brand Fund Contributions, Technology Fees, and other fees directly from customers' payments, and if that is not sufficient, from your bank account. All new franchisees are required to pay the percentage rate or the flat fee at the designated time, as stated in this Disclosure Document.
2. "Gross Revenue" means the total amount of all revenues Franchisee receives from the sale of goods and services, whether for cash or by check, credit card, electronic transfer, or trade, in connection with the Franchised Business, less customer refunds and returns. Gross Revenue will include any sales permitted through the internet and wholesale transactions involving any party other than a RobotLAB® franchisee who is in good standing with Franchisor. Gross Revenue will not include sales tax collected from customers and actually paid to appropriate tax authorities.
3. You must pay us a transfer fee equal to the greater of: (i) \$10,000 or (ii) 25% of our then-current Initial Franchise Fee per Block that is being transferred to transferee. If a third-party broker locates the transferee, you will also be solely responsible for any broker fees associated with the transfer. There are other conditions for transfer and all conditions must be met before the transfer is approved by us. See Item 17 in this Disclosure Document for additional information regarding transfer.

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

**ITEM 7.
ESTIMATED INITIAL INVESTMENT**

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

TYPE OF EXPENDITURES ¹	AMOUNT		METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
	LOW ESTIMATE	HIGH ESTIMATE			
Initial Franchise Fee ²	\$54,900	\$54,900	Lump sum	When you sign the Franchise Agreement	Franchisor
Travel and Living Expenses For Training ³	\$500	\$7,500	As arranged	As incurred	Airlines, hotels, restaurants
Stage Presence Training ⁴	\$2,500	\$2,500	As incurred	Prior to initial training, and when onboarding a new General Manager or owner	Franchisor or Third-party Supplier
TYPE OF EXPENDITURES ¹	AMOUNT		METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
	LOW ESTIMATE	HIGH ESTIMATE			
Rent (3 months) ⁵	\$7,500	\$15,000	As arranged	According to Lease	Lessor/Landlord
Leasehold Improvements ⁶	\$0	\$15,000	As Arranged	According to Lease	Lessor/Landlord
Furniture and Fixtures ⁷	\$2,000	\$45,000	As arranged	As incurred	Third-party Suppliers
Equipment Package Fee ⁸	\$25,200	\$110,500	Lump Sum	Down payment due when you sign the Franchise Agreement	Franchisor
Grand Opening Marketing ⁹	\$15,000	\$15,000	As arranged	As incurred	Third-party Suppliers
Computer Systems ¹⁰	\$4,500	\$8,000	Lump sum	As incurred	Third-party suppliers or to Franchisor
Technology Fees (3 Months) ¹¹	\$1,455	\$4,365	As incurred	As incurred	Franchisor

<u>TYPE OF EXPENDITURES¹</u>	<u>AMOUNT</u>		<u>METHOD OF PAYMENT</u>	<u>WHEN DUE</u>	<u>TO WHOM PAYMENT IS TO BE MADE</u>
	<u>LOW ESTIMATE</u>	<u>HIGH ESTIMATE</u>			
Vehicle Retrofitting ¹⁷	\$0	\$20,000	As incurred	Before opening	Third-party suppliers
Additional Funds - 3 Months ¹⁸	\$25,000	\$75,000	As incurred	As incurred	Employees or third-party suppliers
TOTAL¹⁹	\$156,755	\$470,765			

Notes:

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

2. Initial Franchise Fee. The minimum initial Franchisee Fee is \$54,900 and includes one Block. The Franchise Fee is non-refundable and is deemed earned upon receipt.

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

4. ~~5~~. Stage Presence Training. You will be required to attend a stage presence training program. We estimate the cost of the program to be \$2,500 per attendee. Your owner and General Manager shall be the initial required attendees. You may pay us to organize the training on your behalf or we may require you to contract with our required third-party supplier for conducting the training program.

5. ~~6~~. Rent (if applicable). You are required to rent or lease a designated non-residential facility to be used for the operation of your Franchised Business. The price will vary considerably depending on the following factors, including but not limited to the market, location, square footage (we recommend a minimum of 1,000sqft and around 1,500sqft), age of the property, condition of the structure, rent or lease arrangements, and other such factors. This estimate is based on our knowledge of rent expenses in Dallas, Texas for light industrial office space. You will be required to use a virtual office service as your main, public address for safety and security.

6. ~~7~~. Leasehold Improvements. Leasehold improvement costs, including floor covering, wall treatment, counters, ceilings, painting, window coverings, electrical, carpentry, and similar work. Architect's and contractor's fees are included in this range and will depend on various factors, including: (i) the site's condition, location, and size; (ii) the demand for the site among prospective lessees; (iii) the site's previous use; the build-out required to conform the site for your Franchised Business; and (iv) any construction or other allowances the landlord grants. The lower figure, \$0, provided here under "Leasehold Improvements" assume that you occupy an existing building that has previously been utilized as a light industrial space and do not require any leasehold improvements. Construction of a new building on a pad site or otherwise likely would require a greater initial investment, the amount of which would depend on market conditions.

Your actual costs will depend on, among other factors, the Franchised Business location, the size of the property, the condition of the premises being remodeled, national and local economic factors, the local costs of material and labor, and the amount of tenant improvement allowances that you are able to obtain,

if any. In certain major metropolitan markets such as Boston, Chicago, New York, Los Angeles, San Francisco, Seattle, and Washington, D.C., costs may be higher due to local market rates for materials and labor.

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

8. ~~9.~~ Equipment Package Fee. Upon signing the Franchise Agreement, you will pay us a lump sum Equipment Package Fee. The low end contemplates you finance the Equipment Package through us, with a \$15,000 down payment and \$3,400 per month payments for 36 months. The high end contemplates you purchase the Equipment Package outright. The Equipment Package is further described in detail in Items 5, 11, and in the Franchise Agreement (found in Exhibit E).

9. ~~10.~~ Grand Opening Marketing. These estimates include the cost of recommended advertising and marketing strategies utilized during the commencement of your Franchised Business, as outlined in the Manuals. These estimates may include, but are not limited to SEO, SEM, radio, billboard, TV/cable, RobotLAB treatments, car-wrap, and other advertising platforms, which will largely depend on the market, market pricing structure and demand, and availability. All initial advertising and marketing require final approval from us prior to the opening of your Franchised Business.

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

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

12. ~~13.~~ Business Supplies. This amount includes your supplies and inventory necessary to operate the Franchised Business. Your exact investment depends on several factors, including but not limited to your sales volume, relevant inventory levels, transportation costs, financing costs, and similar factors beyond our control. The cost of supplies will increase as your client base and staff grow.

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

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

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

~~16.~~ ~~18.~~ Vehicle. This estimates the costs associated with the purchase and modification of an approved vehicle from our approved suppliers. Your approved vehicle must be properly equipped with an approved vehicle wrap, light bar, two-way camera, and any other specifications we may require. The low end represents a down payment of \$7,500 and three (3) monthly payments of \$1,400 per month. The high end contemplates you purchased the vehicle in full.

~~17.~~ ~~19.~~ Vehicle Retrofitting. You will be required to have a vehicle with certain equipment that meets the needs of a RobotLAB Franchised Business. If you lease your vehicle from our approved vendor, you will not be required to retrofit your vehicle. The high end contemplates that your vehicle will need all modifications we require. We will provide you the specifications in our Manuals.

~~18.~~ ~~20.~~ Additional Funds (3 Months). This category estimates your pre-operational expenses that are not listed in other categories, as well as any additional funds necessary for the first three (3) months of operational expenses for your Franchised Business, including but not limited, to royalties, employee wages, salaries, payroll taxes, health and workers' compensation, benefits, and staff recruiting expenditures (including payroll to cover the grand opening promotional period and pre-opening training period for your staff); additional legal and accounting fees, additional advertising and marketing, insurance, bank charges, additional supplies and equipment, state tax and license fees, deposits, prepaid expenses, and other miscellaneous expenditures.

~~19.~~ ~~21.~~ Total. We developed these estimates based on our management team's experience in the Southlake, Texas area. Except as expressly indicated otherwise, these estimates cover your initial cash investment up to the opening of your Franchised Business and for a period of three months thereafter. They do not provide for your cash needs to cover any financing incurred by you or for other expenses not previously discussed above.

~~They do not provide for your cash needs to cover any financing incurred by you or for other expenses not previously discussed above.~~

~~You should have additional sums available to you, whether in cash, through bank financing, through rollovers, or through other assets which you can liquidate to cover additional expenses and any operating losses you may sustain, whether during your start-up and development stage, or beyond. The amount of necessary reserves will vary greatly from franchisee to franchisee and will depend upon many factors, including the rate of growth and success of your Franchised Business, which in turn will depend upon factors such as the demographics and economic conditions in the area in which your Franchised Business is located, the presence of other similar services and competition, public awareness of your services within the general vicinity of your proposed Franchised Business, and your ability to operate efficiently and in conformance with our recommended methods of operating your Franchised Business by the standards and specifications as set forth in the Manuals and in conformance with our System.~~

None of the estimated expenditures listed in the table are refundable, except (i) utility deposits are usually refundable, and (ii) lease security deposits may be refundable. The availability and terms of financing will depend on many factors, including the availability of financing generally, your creditworthiness, other security that you may have, and policies of lending institutions concerning the type of business being operated by you.

ITEM 8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You must operate your Franchised Business in accordance with the System that we license to you. The System's standards and specifications relating to the establishment, operation, and regulation of your Franchised Business, include but are not limited to, goods, services, supplies, items, equipment, inventory, and real estate fixtures; computer hardware, software, search engine optimization services, client survey services; marketing materials, advertising and sales collateral, RobotLAB Corp

**ITEM 9.
FRANCHISEE’S OBLIGATIONS**

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

Obligation	Section in Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	Franchise Agreement (FA) Sections 7(A) and 8(O)	Item 11
b. Pre-opening purchases/leases	FA Sections 4(B), 6(C) and 8(D), (O) and (P)	Items 5, 7, and 8
c. Site development and other pre- opening requirements	FA Section 8(B)	Items 6, 7, and 11
d. Initial and ongoing training	FA Sections 7(D) and 8(L)	Items 6, 7 and 11
e. Opening	FA Sections 8 and 15(A)(1)	Item 11
Obligation	Section in Agreement	Disclosure Document Item
f. Fees	FA Sections 2(B)(4), 4, 5, 6, 8(P), 8(Q) and 14(C)(6)	Items 5, 6, 7, and 11
g. Compliance with standards and policies/ Manual	FA Sections 8(C), (I) and (N)	Items 11 and 16
h. Trademarks and proprietary information	FA Sections 3 and 9	Items 13 and 14
i. Restrictions on products/ services offered	FA Sections 1 and 8(D) and (P)	Items 8, 11, and 16
j. Warranty and customer service requirements	FA Section 8(D)	Item 11
k. Territorial development and sales quotas	FA Section 1(B)	Item 12
l. Ongoing product/service purchases	FA Section 8(D)	Items 8 and 11
m. Maintenance, appearance, and remodeling requirements	FA Sections 2(B)(3) and 8(B) and (E)	Item 11
n. Insurance	FA Section 10	Items 6 and 8
o. Advertising	FA Section 6	Items 6, 7, 8, and 11
p. Indemnification	FA Section 11	Item 6
q. Owner’s participation/ management/staffing	FA Sections 7(D) and 8(A) and (J)	Items 11 and 15
r. Records/reports	FA Sections 12(A) and (B)	Item 16
s. Inspections/audits	FA Section 12(C)	Items 6 and 11
t. Transfer	FA Sections 13 and 14	Item 17
u. Renewal	FA Section 2(B)	Item 17
v. Post-termination obligations	FA Section 17	Item 17
w. Non-competition covenants	FA Section 18	Item 17
x. Dispute resolution	FA Section 18(D) and 19	Item 17
y. Other: Guaranty of franchisee obligations	FA Sections 9(A), 12(C), 14(B), 18(A), (B) and (C) and 19 (C) and Exhibit B to FA	Item 15

<u>Target Audience¹</u>	<u>Subject</u>	<u>Hours of Classroom and Online Training</u>	<u>Hours of "Hands-On" Training</u>	<u>Location</u>
Owner/ GM / Marketing	Marketing, Building Your Book of Business, How To Get On Local Stages, The Perfect Customer Persona, Social Media, Advertising	16-24	8-12	Online, unless you request our Training Facility
Owner/ GM / Sales	Sales, Presentation, Negotiation, Objection- Handling, Prospecting	24-32	8-12	Online, unless you request our Training Facility
Owner/ GM / Sales	Follow-Up, Trial Closes, Closing the Deal	24-32	8-12	Online, unless you request our Training Facility
Everyone	Corporate Culture, High Talent Density, Daily Standups, Be Your Best Self, Scams Awareness	1-2	1-2	Online, unless you request our Training Facility
Everyone	Computer And Mobile Phone Set Up, Dropbox, Slack, Clickup, Office Suite, DialPad, Barracuda, Salesforce	1-2	2-3	Online, unless you request our Training Facility
Owner/ GM /Sales	Computer System for Salespeople	1-2	2-3	Online, unless you request our Training Facility
Owner/ GM / Marketing	Computer System for Marketing People	1-2	2-3	Online, unless you request our Training Facility
Owner/ GM / Operations	Computer System for Operations People	1-2	2-3	Online, unless you request our Training Facility
Owner/ GM / Customer Success	Computer System for Customer Success People	1-2	2-3	Online, unless you request our Training Facility
<u>Target Audience¹</u>	<u>Subject</u>	<u>Hours of Classroom and Online Training</u>	<u>Hours of "Hands-On" Training</u>	<u>Location</u>
Owner/ GM	Legal Entity Structures & Financing Options	1-3	On Demand	Online, unless you request our Training Facility
Owner/ GM	Business Planning & Development Strategy	5-8	2	Online, unless you request our Training Facility
Owner/ GM	Loss Prevention and Pre-Emptive Dispute Resolution	2-3	1	Online, unless you request our Training Facility
Owner/ GM	Accounting & Bookkeeping Overview	1-2	2-3	Online, unless you request our Training Facility
Everyone	Vendor And Approved Suppliers Overview	3-5	2	Online, unless you request our Training Facility

Owner/ GM / Marketing	Brand Standards, And Franchise Brand Continuity	1-2	1-2	Online, unless you request our Training Facility
Owner/ GM	Business Operations and Financial Business Management, Cash Flow Management, 5 Bank Accounts System	1-2	1-2	Online, unless you request our Training Facility
Owner/ GM	Inventory Management; Demo Units;	1-2	1-2	Online, unless you request our Training Facility

<u>Target Audience¹</u>	<u>Subject</u>	<u>Hours of Classroom and Online Training</u>	<u>Hours of “Hands-On” Training</u>	<u>Location</u>
				<u>you request our Training Facility</u>
Owner/ GM	Franchised Business Management	1-2	1-2	Online, unless you request our Training Facility
Owner/ GM	Employee Management	1-2	1-2	Online, unless you request our Training Facility
Everyone	Customer Service & Brand Standards	1-2	1-2	Online, unless you request our Training Facility
Everyone	Phone System and Communication Methods	1-2	1-2	Online, unless you request our Training Facility
	TOTAL HOURS	93 - 145	51 - 79	

Notes:

1. Target Audience. Franchisee owners and general managers; however, parts of the training can be assigned to different managers on demand.

Second Session - Technical Product Training

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

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

There are three levels of product knowledge:

1. Generic Product Knowledge. Mandatory for all Franchised Business employees. Without completing this level, you will not be able to offer these products to your customers.
2. Deployment Engineer Knowledge. Mandatory if you choose to deploy robots independently. If you do not complete this per-product training, we will charge you a \$400 deployment fee (plus travel) per robot you sell, as we will send a technician to deploy the robot for you. Having an up-to-date certified deployment engineer on board, will earn you an additional 1% rebate on each product you purchase, when at the time your purchase order is placed with us your Franchised Business has at least one person who has been certified on the product.

3. Technician / Repair Engineer Knowledge. You may elect to engage in robot repairs as a part of the service you provide your customers. Such training is available only for technicians with a background in hardware repair, IT, and computer systems, and is subject to pre-approval from our Director of Customer Success.

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

Target Audience	Subject	Hours of Classroom Training	Hours of “Hands-On” Training	Location
Level 1 – Everyone	Product introduction: Product category, main features, use cases, product history (versions, variants, etc.), Product accessories (cups tray, charging station, water station)	1	On Demand	Southlake, TX and/or Online
Level 1 – Everyone	Product Standard Operating Procedures	2	1	Southlake, TX and/or Online
	LEVEL 1 TOTAL HOURS	3	1	
Level 2 – Owner / GM / Deployment Engineer / Sales	Mapping the environment, starting tags/QR codes For Delivery: deciding on points of interest, deciding on robot position when delivering, hauling away items, cruise mode, birthday mode, charging station positioning, starting	24	24	Southlake, TX and/or Online
Target Audience	Subject	Hours of Classroom Training	Hours of “Hands-On” Training	Location

<p><u>Level 2 – Owner / GM / Deployment Engineer / Sales</u></p>	<p><u>Mapping the environment, starting tags/QR codes</u></p> <p><u>For Delivery: deciding on points of interest, deciding on robot position when delivering, hauling away items, cruise mode, birthday mode, charging station positioning, starting point positioning, schedules, charging time & run time, ongoing maintenance.</u></p> <p>For Cleaning: deciding on the path or area to clean, points of interest, charging station, plumbing requirements, positioning, starting point positioning, daily maintenance, preventive maintenance.</p> <p>For Customer Service robots: deciding on path, patrol, visual, content tree, images and videos, languages etc.</p>	<p><u>24</u></p>	<p><u>24</u></p>	<p><u>Southlake, TX and/or Online</u></p>
	<p>LEVEL 2 TOTAL HOURS</p>	<p>27</p>	<p>25</p>	
<p>Level 3 – Technicians</p>	<p>In depth repair workshop. On demand and on site only. After an approval from the director of customer success that the candidate is a good fit. Workshops are offered 4 times a year, at the beginning of every quarter.</p>	<p>40</p>	<p>40</p>	<p>Southlake, TX</p>

<u>Target Audience</u>	<u>Subject</u>	<u>Hours of Classroom Training</u>	<u>Hours of “Hands-On” Training</u>	<u>Location</u>
	LEVEL 3 TOTAL HOURS	67	65	

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

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

We do not charge an additional fee for NFOT. You are, however, responsible for travel and living expenses that you and your representatives (if any) incur while attending NFOT. See Item 7 for additional information on those expenses. We require franchisees to attend any additional training programs for their position and areas of responsibilities.

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

ITEM 12. TERRITORY

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

The boundaries of your Protected Territory may be described in terms of zip codes, streets, landmarks (both natural and man-made) or county lines, or otherwise delineated on a map. The sources we use to determine the population within your Protected Territory will be publicly available population information through our GIS system which provides information based on multiple sources.

Your approved facility must be located within your Protected Territory. You may not relocate your facility or arrange for an affiliation with a new facility for your Franchised Business without our prior written approval. Our approval for relocation or a change in your facility will not be unreasonably withheld, however factors we may consider in deciding whether to approve your request include: (i) whether the new facility is satisfactory to us and located within your Protected Territory, (ii) your lease, if any, complies with our then-current requirements, (iii) you comply with our then-current requirements for constructing, outfitting, and furnishing the new facility, (iv) the new facility

sole discretion, materially and adversely affect the Gross Revenue of any other Franchised Business, (v) you have fully performed and complied with each provision of the Franchise Agreement within the last three (3) years prior to, and as of, the date we consent to such relocation (the “Relocation Request Date”), (vi) you are not in default, and no event exists as of the Relocation Request Date, and (vii) you have met all of our then-current training requirements. If you lose your lease, you must secure our approval of another site and enter into a lease for the new approved site within 90 days after you lose your site lease.

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

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

Rights We Retain

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

1. Establish or license franchises and/or company-owned outlets or other facilities or businesses offering similar or identical products, services, and classes and using the System or elements of the System (i) under the Marks anywhere outside of the Protected Territory regardless of proximity to the Protected Territory or to your Franchised Business or (ii) under names, symbols, or marks *other than* the Marks anywhere, including inside and outside of the Protected Territory;

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

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

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

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

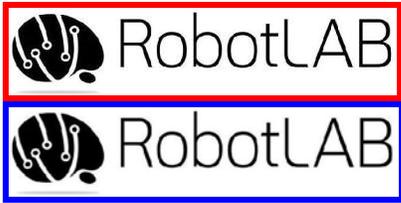
**ITEM 13.
TRADEMARKS**

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

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

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

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

Mark	U.S. Registration No.	Registration Date
ROBOTLAB	5577504	October 2, 2018
	5620030	December 4, 2018

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

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

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

There are no currently effective determinations of the Patent and Trademark Office, the Trademark Trial and Appeal Board, the trademark administrator of any state or any court, or any pending infringement,

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

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

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

RESOLUTION THE FRANCHISE RELATIONSHIP

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

A. Franchise Agreement

Provision		Section in Franchise Agreement	Summary
a.	Length of the franchise	Section 2(A)	10 years.
b.	Renewal or extension of the term	Section 2(B)	If you meet the renewal requirements set forth in the Franchise Agreement, you can renew the Franchise Agreement for additional 5-year period(s).
Provision		Section in Franchise Agreement	
Provision		Summary	
c.	Requirements for you to renew or extend	Section 2(B)	Provide advance notice in writing, sign the current Franchise Agreement, pay renewal fee, remodel, meet all current Brand Standards, secure extension of lease and be in compliance with the Franchise Agreement during the term of the Agreement. You may be asked to sign a new Franchise Agreement with materially different terms and conditions than your original Franchise Agreement.
d.	Termination by you	Section 16(A)	If you are complying with the Franchise Agreement and we fail to cure a material default within 30 days after our receipt of written notice, subject to state law.
e.	Termination by us without cause	Not Applicable	Not Applicable

f.	Termination by us with cause	Sections 15(A) and (B)	We can terminate the Franchise Agreement only if you default.
<u>g.</u>	<u>“Cause” defined – curable defaults</u>	<u>Sections 15(A) and (B)</u>	<u>Grounds for termination for the following are subject to state law: A violation of any material provision of the Franchise Agreement, non-payment of amounts</u>

<u>Provision</u>		<u>Section in Franchise Agreement</u>	<u>Summary</u>
g.	“Cause” defined – curable defaults	Sections 15(A) and (B)	You have 30 days to cure a violation of any material provision of the Franchise Agreement, payment of amounts owed to us or applicable local advertising Cooperative, failure to abide by our standards and requirements in operation of the Franchised Business, an assignment of assets to creditors and the expiration or termination of the Franchised Business’s lease.
h.	“Cause” defined – non- curable defaults	Sections 15(A) and (B);	<u>Grounds for termination for the following are subject to state law:</u> Failure to open the Franchised Business within 4 months after you sign the Franchise Agreement, insolvency, conviction of felony or violation of a statute which harms Franchised Business’s reputation, abandonment of the Franchised Business, intentionally falsify any information provided to us, repeated defaults even if cured, defaults which cannot be cured, repeatedly deceives RobotLAB customers, defaults which impair the goodwill associated with our trademarks, uncured defaults under any other agreement with us, our subsidiaries or affiliates, frequent and/or severe complaints from customers and/or employees, failure to cooperate, failure to achieve the Minimum Performance Standards for two (2) consecutive years; and timely complete audit and violation of the in- term covenant not to compete.
i.	Your obligations on termination/non-renewal	Section 17	Pay all amounts due to us, return manuals and other materials to us, disconnect the telephone number and assign it to us, redecorate the Franchised Business premises, return, or destroy all copies of the Computer System other than hardware components <u>purchased by you, disconnect Franchised Business-related internet website, remove all signs containing any Marks (also see below).</u>
Provision	Section in Franchise Agreement		Summary
j.	Assignment of contract by Us	Section 14(A);	Assignee must fulfill our obligations under the agreement assigned.

k.	“Transfer” by you – defined	Section 14(C);	Includes any transfer of the Franchised Business or its assets, your interest in the Franchise Agreement or any significant (“controlling interest”) ownership change.
l.	Our approval of transfer by you	Section 14(C)	We have the right to consent to all transfers under the Franchise Agreement but will unreasonably withhold consent.
<u>m.</u>	<u>Conditions for our approval of transfer</u>	<u>Section 14(C)</u>	<u>New franchisee must qualify and complete training, pay transfer fee, you must pay all amounts owed to us and be in good standing, franchisee assumes existing Agreement or (at option) signs then-</u>

<u>Provision</u>		<u>Section in Franchise Agreement</u>	<u>Summary</u>
m.	Conditions for our approval of transfer	Section 14(C)	New franchisee must qualify and complete training, pay transfer fee, you must pay all amounts owed to us and be in good standing. Franchisee (or option) signs then-current agreement, we determine that the purchase price and terms will not adversely affect the franchisee's operation of the Franchised Business. If the transfer is financed by you, you warrant that all of the new franchisee's obligations, promissory notes, agreements or security interests in the Franchised Business are subordinate to the new franchisee's obligation to pay fees owed under the Franchise Agreement and you agree to observe all post-termination obligations under the Franchise Agreement (also see (r), below).
n.	Our right of first refusal to acquire your business	Section 13	We can match any offer for your business.
o.	Our option to purchase your business	Not Applicable, except as indicated in (n), above	Not Applicable.
p.	Your death or disability	Section 13(B)	You can transfer stock to other shareholders, offering us a right of first refusal; if assignee is spouse or child, no transfer fee is required.
q.	Non-competition covenants during the term of the Franchise Agreement	Section 18(A)	No direct or indirect involvement in any business involving the purchase and/or sale of robotLAB services other than your Franchised Business as authorized in the Franchise Agreement (with our prior written consent, subject to state law).
r.	Non-competition covenants after the	Sections	No direct or indirect involvement in any business involving the purchase and/or sale of robotLAB
<u>Provision</u>	<u>Section</u> in	<u>18(B) and (C)</u>	<u>Summary</u>
<u>r.</u>	<u>Non-competition covenants after the Franchise Agreement is terminated or expires naturally under the terms</u>	<u>Sections 18(B) and (C)</u>	<u>No direct or indirect involvement in any business involving the purchase and/or sale of robotLAB accessories for 2 years within 50 miles of Franchised Business or any RobotLAB franchisees. If the franchisee breaches this provision, the noncompetition period will be extended for a period equal to the time the franchisee operated a competing business, subject to state law.</u>

	<u>Provision</u>	<u>Section in Franchise Agreement</u>	<u>Summary</u>
u.	Dispute resolution by arbitration or mediation	Section 19(A)	Except for certain claims, all disputes must be arbitrated in Dallas, Texas, subject to applicable state law.
v.	Choice of forum	Sections 18(D) and 19	All disputes that are subject to arbitration must be arbitrated in Dallas, Texas. Other claims may be decided by any court of competent jurisdiction located closest to Dallas, Texas, subject to applicable state law.
w.	Choice of law	Section 20(D)	Apply law of the state of Texas, subject to applicable state law.

**ITEM 18.
PUBLIC FIGURES**

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

**ITEM 19.
FINANCIAL PERFORMANCE REPRESENTATIONS**

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

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

	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
TX	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
TOTAL	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	0.5	0	0	0	0	0.5

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

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

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

TABLE 5
Projected Openings as of December 31, 2023

State	Franchise Agreements Signed But Franchised Business Not Opened	Projected New Blocks in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
California	0	20	0
Florida	0	20	0
Georgia	0	20	0
New York	0	20	0
North Carolina	0	20	0
Texas	0	20	1
TOTAL	0	120	1

Our fiscal year ends on December 31 of each year.

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

There are no franchisees who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or

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

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

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

**ITEM 21.
FINANCIAL STATEMENTS**

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

~~Also included in Exhibit A is our unaudited opening balance sheet as of April 1, 2023. These financial statements are unaudited and include, in the opinion of our management, normal recurring adjustments necessary to fairly state our financial condition as of that date. These financial statements have not been reviewed by an accountant and are incomplete, as they do not contain any financial statement notes.~~

**ITEM 22.
CONTRACTS**

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

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

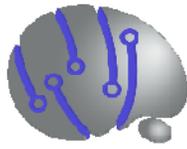
**ITEM 23.
RECEIPTS**

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

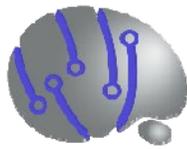
List of State Regulatory Administrators

We intend to register this disclosure document as a “franchise” in some or all of the following states, if required by the applicable state laws. 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 these states:

LIST OF STATE ADMINISTRATORS	
<p><u>CALIFORNIA</u> Department of Financial Protection and Innovation 320 West 4th Street, Suite 750 Los Angeles, California 90013-2344 (213) 576-7500 Toll Free (866) 275-2677</p>	<p><u>CONNECTICUT</u> State of Connecticut Department of Banking Securities & Business Investments Division 260 Constitution Plaza Hartford, Connecticut 06103-1800 (860) 240-8230</p>
<p><u>HAWAII</u> Commissioner of Securities of the State of Hawaii Department of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722</p>	<p><u>ILLINOIS</u> Franchise Bureau Office of the Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465</p>
<p><u>INDIANA</u> Indiana Secretary of State Franchise Section 302 Washington Street, Room E-111 Indianapolis, Indiana 46204 (317) 232-6681</p>	<p><u>MARYLAND</u> Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, Maryland 21202-2021 (410) 576-6360</p>
<p><u>MICHIGAN</u> Michigan Attorney General's Office Corporate Oversight Division, Franchise Section 525 W. Ottawa Street G. Mennen Williams Building, 1st Floor Lansing, Michigan 48933 (517) 373-7117</p>	<p><u>MINNESOTA</u> Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, Minnesota 55101-2198 (651) 539-1600</p>
<p><u>NEW YORK</u> New York State Department of Law Investor Protection Bureau 28 Liberty Street, 21st Floor New York, NY 10005 (212) 416-8222</p>	<p><u>NORTH DAKOTA</u> North Dakota Securities Department State Capitol Department 414 600 East Boulevard Avenue, Fourteenth Floor Bismarck, North Dakota 58505-0510 (701) 328-4712</p>
<p><u>OREGON</u> Department of Business Services Division of Finance and Corporate Securities Labor and Industries Building 350 Winter Street, NE Room 410 Salem, Oregon 97310 (503) 378-4387</p>	<p><u>RHODE ISLAND</u> Department of Business Regulation Securities Division, Building 69, First Floor John O. Pastore Center 1511 Pontiac Avenue Cranston, Rhode Island 02920 (401) 462-9527</p>
<p><u>SOUTH DAKOTA</u> Division of Insurance Securities Regulation 124 S. Euclid, Suite 104 Pierre, South Dakota 57501 (605) 773-3563</p>	<p><u>VIRGINIA</u> State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9th Floor Richmond, Virginia 23219 (804) 371-9051</p>
<p><u>WASHINGTON</u> Department of Financial Institutions Securities Division, P.O. Box 903341200 Olympia, Washington 98507</p>	<p><u>WISCONSIN</u> Division of Securities 4822 Madison Yards Way, North Tower Madison, Wisconsin 53705 (608) 266-2139</p>



RobotLAB Corp.



RobotLAB Corp.

FRANCHISE AGREEMENT

between

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

and

Franchisee

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ATTACHMENTS

- A. FRANCHISEE INFORMATION AND PROTECTED TERRITORY
- B. PERSONAL GUARANTY FOR OWNER/SHAREHOLDER
- C. ELECTRONIC FUNDS TRANSFER AUTHORIZATION
- D. LEASE RIDER
- E. FRANCHISEE COMPLIANCE QUESTIONNAIRE

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

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

F. Litigation. Franchisee will not, without Franchisor’s prior written consent, defend or enforce any of the Marks in any court or other proceedings for or against imitation, infringement, any claim of prior use, or for any other allegation. Franchisee will, however, immediately notify Franchisor of any claims or complaints made against Franchisee respecting the Marks and will, at its expense, cooperate in all respects with Franchisor in any court or other proceedings involving the Marks. Franchisor will pay the cost and expense of all litigation Franchisor incurs, including attorneys’ fees, specifically relating to the Marks. Franchisor and its legal counsel will have the right to control and conduct any litigation relating to the Marks.

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

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

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

4. INITIAL FRANCHISE FEES

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

Based upon the franchisor’s financial condition, the [California Department of Financial Protection and Innovation](#), the [Maryland Securities Commissioner](#) ~~has~~, the [South Dakota Securities Regulation Office](#), the [Virginia State Corporation Commission's Division of Securities and Retail Franchising](#), the [Minnesota Department of Commerce](#), and the [Washington Securities Division](#) have required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement.

[The California Department of Financial Protection and Innovation has determined that we, the franchisor, have not demonstrated we are adequately capitalized and/or that we must rely on franchise fees to fund our operations. The Commissioner has imposed a fee deferral condition, which requires that we defer the collection of all initial fees from California franchisees until we have completed all of our pre-opening obligations and you are open for business.](#)

B. Initial Equipment Package Fee. Franchisee will pay Franchisor a non-refundable

~~B.~~ includes the cost of the currently best-selling robots in our portfolio: four delivery robots, one cleaning robot, and one customer service robot; a “Marketing Kit” which includes brochures, product catalogs, roll- up banners, branded tablecloths, RobotLAB® branded apparel, business cards, office signage, and RobotLAB® branded packing tapes; and initial software setup fees for owner access (“Equipment Package”).

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

~~D.~~

5. ROYALTY FEE

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

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

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

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

C. Payment.

1. Franchisee must comply with all our payment policies, procedures, and requirements, as described in the Manuals.

2. Franchisee must create an opportunity and a quote with line items for all products or

products or services without issuing an opportunity, a quote, and an order on the Computer System. All funds due from customers shall be paid to RobotLAB for product sales, services, rentals, warranties, or for any other reason. Franchisor will match the sales with granted territories, product availability, and have the right to approve or reject any sale, withhold sums for fees, royalties, and other dues, and then distribute the remainder to Franchisee. If Franchisee does not have technical personnel trained for deployment of specific product as ordered, Franchisor will assign a technician from the franchisor's pool, and charge Franchisee the deployment fee, as invoiced.

3-

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

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

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

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

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

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

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

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

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

~~F.~~

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

6. ADVERTISING AND MARKETING

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

B. Local Area Marketing Requirement. In addition to your Brand Fund Contribution, beginning in the first full month after the date the Franchised Business opens, currently you must pay to us a minimum of three percent (3%) of your Gross Revenue per month to perform yearly local marketing services on your behalf. We will perform: (a) at least one local event for your Protected Territory yearly, (b) dedicate a cold- calling campaign to drive leads and appointments for your Protected Territory; (c) establish a pass-through lead program for all leads we get from your Protected Territory; and (d) invite you to attend shows and conferences with us if they are in your Protected Territory. We recommend you spend additional amounts on local advertising and promotional activities, which shall be payable directly to third-party marketing vendors and that may include us or an affiliate we form to provide local marketing services for you. If you fail to pay the required amount in any quarter, we may require you to pay us the shortfall as an additional Brand Fund Contribution or to pay us the shortfall for us to spend on local marketing for your Franchised Business. We may increase the amount of your Local Area Marketing Requirement up to a maximum of five percent (5%) of your Gross Revenue, upon 30 days’ written notice to you. Any advertising or marketing materials must be approved by us prior to your use of such materials. We will include your Business on our website.

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

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

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

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

7. FRANCHISOR’S OBLIGATIONS

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

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

C. Equipment, Supplies, and Inventory. Franchisee agrees to use in the operation of the Franchised Business only those service providers, manufacturers, brands or types of items, equipment (including, the

materials that are from time to time approved in writing by Franchisor, which approval may be given or withheld by Franchisor.

D. Training. Franchisor will, at its expense, provide a two-part training program in the city in which our then-current corporate headquarters are located (currently, Southlake, Texas), online, or at such other location Franchisor designates to educate, familiarize, and acquaint Franchisee with the business of operating a RobotLAB® Franchised Business. The first session of the training program, New Franchisee Orientation Training (“NFOT”), will include online and self-directed instruction on general business issues related to the ownership of the business, such as, by way of example only, real estate matters, business plan development, inventory management, point-of-sales systems, custom product purchasing, and other topics Franchisor may select. The period of this session will be at Franchisor’s discretion but generally will be around two (2) weeks and will be made available to you by Franchisor at its discretion. The second session of the training program is for all employees of your Franchised Business and may include technical product training and other topics Franchisor may select. The period of this session will be at Franchisor’s discretion and dependent on the technical product level you will be certified in but generally will be: (i) Level 1, about 4 hours per robot; (ii) Level 2, about 50 hours per robot; and (iii) Level 3, about 130 hours per robot and will be scheduled by Franchisor. Franchisee (or such other trainees required by Franchisor) must successfully complete both sessions of the training program. If Franchisee (or such other trainees required by Franchisor) fails to successfully complete the NFOT and at least the Level 2 technical product knowledge, he/she will not be permitted or authorized to manage Franchisee’s business and Franchisor may terminate this Agreement pursuant to Section 15. Franchisee will be responsible for travel costs, room and board, the salaries, fringe benefits, and other expenses Franchisee and its employees and designated trainees incur in attending both sessions of the training program. The training described in this Paragraph is provided at no charge for you, your members/shareholders, and one key employee, up to a maximum of 4 people. If you wish to send additional personnel to training, or we provide training to any additional or replacement personnel you may do so as long as we have space in the training session.

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

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

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

H. Ongoing Assistance. During the operation of Franchisee’s business, Franchisor will: (i) inspect the Franchised Business as often as Franchisor deems necessary and provide written reports to Franchisee on operations; (ii) provide, upon the written request of Franchisee, advisory services pertaining to the operation of Franchisee’s business; (iii) periodically make available to Franchisee all changes, improvements and additions to the Business System to the same extent as made available to other

not constitute, control over Franchisee's day-to-day operation of the Business or to assume any responsibility for Franchisee's obligations under this Agreement.

8. OPERATION OF THE FRANCHISEE'S BUSINESS

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

A. Managerial Responsibility. During the term of this Agreement, the parties who have signed this Agreement on behalf of Franchisee will personally manage and operate Franchisee's business and will not, without Franchisor's prior written consent, delegate its authority and responsibility with respect to management and operation. If Franchisee is a corporate entity or a partnership, one individual will retain at least fifty percent (50%) of the equity and voting interest in such corporation or partnership and will be obligated to personally manage and operate the Franchisee's business (the "Principal Executive"). The Principal Executive will be listed on Attachment A to this Agreement.

B. Design and Appearance of Premises. The design and appearance of the exterior and interior of the Franchised Business, including signage, are part of the Business System. It is essential to the integrity of Franchisor's Business System that all RobotLAB® Franchised Businesses have a high degree of uniformity. Without limitation to anything provided for in this Agreement, Franchisee agrees that: (i) no alteration or addition will be made to the premises without Franchisor's prior written consent; (ii) the painting and decor will be maintained in such manner and form as Franchisor may require; (iii) Franchisee will follow Franchisor's instructions with respect to layout and character of interior items and furnishings; and (iv) only such signs, emblems, logos, lettering, and artwork as Franchisor may require or periodically provide will be displayed on the Franchised Business premises. Franchisee must follow Franchisor's current standards regarding the design and appearance of the premises.

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

D. Products and Services. Franchisee will sell only those products and services Franchisor approves in writing and will offer for sale all products and services required by Franchisor from time to time. Franchisee will conform to all quality and customer service standards Franchisor requires in writing. Franchisee will purchase only such products, services, and supplies that Franchisor approves for RobotLAB® as meeting its specifications and standards, including specifications and standards for quality, design, warranties, appearance, function, and performance. Franchisee acknowledges and agrees that such items shall be purchased only from sources, or suppliers approved in

WARRANTIES, WHETHER EXPRESS OR IMPLIED, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE IN CONNECTION WITH FRANCHISOR'S SALE OF ANY GOODS OR SUPPLIES TO FRANCHISEE. Franchisee agrees to execute any and all documents Franchisor reasonably requests, including letters of credit, security agreements, and financing statements, to provide collateral for amounts due to Franchisor for purchases of inventory and other items custom in Franchisee's business. To the extent Franchisor's affiliate provides warranties for products and services, Franchisor's affiliates are solely responsible for those warranties.

~~E.~~

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

F. Compliance with Laws. Franchisee will, at its expense, comply with all applicable local, state, federal, and municipal laws, ordinances, rules, and regulations pertaining to the operation of the Franchised Business, including all licensing and bonding requirements, as well as the Americans with Disabilities Act ("ADA"), the Gramm-Leach-Bliley Act, the Fair Credit Reporting Act ("FCRA"), the Telephone Consumer Protection Act ("TCPA"), the Fair and Accurate Credit Transactions Act ("FACTA"), and the National Automated Clearinghouse Association ("NACHA") and associated regulations (collectively "Privacy Laws"). No music, videos, or television may be played in the Franchised Business unless the appropriate licenses are obtained.

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

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

equal to one thousand dollars (\$1,000) per occurrence or any other late payment, plus interest on the unpaid amount at a rate equal to eighteen percent (18%) per annum or the highest amount permitted by applicable law, whichever is less.

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

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

J. Personnel. Franchisee will, at all times when open for business, have a person designated as a management person on duty who will be responsible for the business operations of Franchisee's business. Franchisee will employ and maintain a sufficient number of adequately trained and competent employees to provide efficient service to Franchisee's customers. Franchisee must employ a minimum of one (1) salesperson and one (1) implementation employee per Block Franchisee operates. Franchisee's employees will not be deemed to be Franchisor's employees for any purpose whatsoever, and nothing in any aspect of the Business System or the Marks in any way shifts any employee or employment related responsibility from Franchisee to Franchisor. Franchisee alone is responsible for hiring, firing, training, setting hours for, and supervising all employees.

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

L. Additional Training Seminars. Franchisor may periodically conduct refresher courses, seminars, and other programs for all RobotLAB® franchisees. Franchisee and/or its employees will be required to attend any such programs and will be responsible for any expenses incurred by them in attending such programs including the cost of training sessions as detailed in the Operations Manual, transportation, lodging, meals, and any wages.

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

N. Operations Manual. To protect Franchisor's reputation and goodwill and to maintain uniform operating standards under the Marks and Business System, Franchisee will conduct its business according to Franchisor's Operations Manual and other confidential Manuals provided by Franchisor. Franchisee will receive an electronic or hard copy of each Manual. Franchisee will treat each Manual as confidential and will use all reasonable efforts to maintain the Operations Manual as secret and confidential. The Manuals will remain Franchisor's sole property. Franchisor may periodically revise the contents of the Manuals. Franchisee agrees to comply with each new or changed standard. Franchisee will ensure that its copy of each Manual is kept current. In the event of any dispute as to the contents of any Manual, the terms of the master copy of such Franchisor maintains will control. At Franchisor's option, Franchisor may post some or all of the Operations Manual and other confidential Manuals and materials on the Extranet to which Franchisee will have access. Any passwords or other digital identifications necessary to access the Operation Manual on the extranet will be deemed secret and confidential. It is Franchisee's obligation to monitor and access the extranet for any updates to the Operating Manual or system standards.

as confidential and proprietary. Copies of the executed agreements will be provided to Franchisor upon request.

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

10. INSURANCE; BONDING

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

Policy	Policy Limits/Description	Required or Recommended
General Liability	\$1,000,000 per occurrence/\$2,000,000 aggregate with the minimum sub-limits must be met: \$1,000,000 Personal & Advertising Injury, \$2,000,000 Products/Completed Operations Aggregate, \$300,000 Damage to Rented Premises and \$10,000 Medical Expense	Required
Owned, Hired & Non- Owned Auto Liability	Minimum \$1,000,00 0- combined single limit each accident <u>\$1,000,000 combined single limit each</u>	Required
Workers Compensation and Employers Liability	Minimum limits no less than \$500,000 per accident for bodily injury by accident; \$500,000 policy limit by disease; and \$500,000 per employee for bodily injury by disease or as required by law in your state	Required (if state law requires)
Professional Liability	\$1,000,000 per occurrence/\$1,000,000 aggregate, on an occurrence basis	Required
Special Form property insurance	An amount appropriate to cover full replacement value of contents. Business Income and Extra Expense must be included on an actual loss sustained basis for a minimum of 12 month.	Recommended
1st and 3rd Party Crime	No less than \$25,000 (this requirement can be satisfied with a bond)	Recommended
Umbrella Liability	\$1,000,000 minimum limits to extend over general liability, owned/hired/non-owned liability and employers’ liability	Recommended
Employment Practices Liability (EPL)	\$1,000,000 minimum limit. Coverage must include a 3rd party endorsement	Recommended

Such insurance policies will expressly protect both Franchisee and Franchisor and will require the insurer to defend both Franchisee and Franchisor in any action. In addition, each such insurance policy must name Franchisor as an additional insured, and provide that such policy will not be canceled, amended, or

MARYLAND FRANCHISEES:

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

[SIGNATURE PAGE FOLLOWS]

**ATTACHMENT E
TO THE FRANCHISE AGREEMENT**

FRANCHISEE QUESTIONNAIRE/COMPLIANCE CERTIFICATION

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

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

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

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

Y/N _____ 2. ~~Y/N2.~~ Have you received and personally reviewed the Franchise Disclosure Document ~~we provided?~~

Y/N _____ received it? 3. ~~Y/N3.~~ Did you sign a receipt for the Disclosure Document indicating the date you ~~received it?~~

Y/N _____ 4. ~~Y/N4.~~ Do you understand all the information contained in the Disclosure Document and the Franchise Agreement you intend to enter into with us?

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

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

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

CALIFORNIA

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

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION & INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENTS OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION & INNOVATION AT dfpi.ca.gov.

The California Department of Financial Protection and Innovation has determined that we, the franchisor, have not demonstrated we are adequately capitalized and/or that we must rely on franchise fees to fund our operations. The Commissioner has imposed a fee deferral condition, which requires that we defer the collection of all initial fees from California franchisees until we have completed all of our pre-opening obligations and you are open for business.

ITEM 3 – LITIGATION

Neither the Franchisor, nor any person identified 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.A. 79a et seq., suspending or expelling such persons from membership in such association or exchange

ITEM 17 – RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

1. California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer, or non-renewal of a franchise. The Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

2. 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).

3. The Franchise Agreement and ~~the Development Agreement contain~~ contains provisions requiring application of the laws of Texas. This provision may not be enforceable under California law.

4. The Franchise Agreement ~~and the Development Agreement require~~ requires venue to be limited to Texas. This provision may not be enforceable under California law.

5. The Franchise Agreement contains a covenant not to compete which extends beyond the termination or non-renewal of the franchise. This provision may not be enforceable under California law.

6. THE FRANCHISE AGREEMENT MAY REQUIRE THE FRANCHISEE TO EXECUTE A GENERAL RELEASE OF CLAIMS UPON EXECUTION OF THE FRANCHISE AGREEMENT. CALIFORNIA CORPORATIONS CODE SECTION 31512 VOIDS A WAIVER OF YOUR RIGHTS UNDER THE FRANCHISE INVESTMENT LAW (CALIFORNIA CORPORATIONS CODE SECTIONS 31000 THROUGH 31516). BUSINESS AND PROFESSIONS CODE SECTION 20010 VOIDS A WAIVER OF YOUR RIGHTS UNDER THE FRANCHISE RELATIONS ACT (BUSINESS AND PROFESSIONS CODE SECTIONS 20000 THROUGH 20043).

7. California Corporations Code, Section 31125 requires us to give you a disclosure document, approved by the Department of Corporations before we ask you to consider a material
RobotLAB Corp
FDD Exhibit I

modification of your Franchise Agreement ~~or the Development Agreement.~~

8. ~~8.~~ THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.

9. The Franchise Agreement requires binding arbitration. The arbitration will occur in Texas. If we are the substantially prevailing party, we will be entitled to recover reasonable attorneys' fees and litigations costs and expenses in connection with the arbitration. Prospective franchisees are encouraged 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 California.

10. 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.

MINNESOTA

Notwithstanding anything to the contrary set forth in the Franchise Disclosure Document and Franchise Agreement, the following provisions will supersede and apply:

1. ~~The Minnesota Department of Commerce 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 Securities Regulation Division has imposed a fee deferral condition, which requires that we defer the collection of all initial fees from Minnesota franchisees until we have completed all of our pre-opening obligations and you are open for business.~~

2. ~~4.~~We will protect your right to use the trademarks, service marks, trade names, logotypes, or other commercial symbols and/or indemnify you from any loss, costs or expenses arising out of any claim, suit, or demand regarding the use of the same.

3. ~~2.~~Minn. Stat. §80C.21 and Minn. Rule 2860.4400J prohibit the Franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring you to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the disclosure document or agreement(s) 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 the laws of the jurisdiction.

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

5. ~~4.~~Minnesota law provides franchisees with certain termination and non-renewal rights. Minnesota Statutes, Section 80C.14, subdivisions 3, 4, and 5 require, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Franchise Agreement ~~or Area Development Agreement.~~

6. ~~5.~~Under the terms of the Franchise Agreement, as modified by the Minnesota Addendum to the Franchise Agreement, you agree that if you engage in any non-compliance with the terms of the Franchise Agreement or unauthorized or improper use of the System Marks, or Proprietary Materials during or after the period of the Agreements, we will be entitled to seek both temporary and permanent injunctive relief against you from any court of competent jurisdiction, in addition to all other remedies which we may have at law, and you consent to the seeking of these temporary and permanent injunctions.

7. ~~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.

8. ~~7.~~

SOUTH DAKOTA

Franchisor will defer its initial franchise fees pursuant to SDCL 37-5B-5. Franchisor will defer collection of all initial franchise fees described in Item 5 until the Franchisor has fulfilled its initial pre-opening obligations to the Franchisee and until the Franchisee has opened their Franchised Business.

VIRGINIA

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for ROBOTLAB FRANCHISING, LLC, for use in the Commonwealth of Virginia shall be amended as follows:

Additional Disclosure: The following statements are added to Item 17:

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Franchise Agreement do not constitute “reasonable cause” as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

Estimated Initial Investment. The franchisee will be required to make an estimated initial investment ranging from ~~\$157,055-156,755~~ to ~~\$1,239,365~~470,765. This amount exceeds the franchisor's stockholders' equity as of ~~July~~December 31, 2023, which is ~~\$106,537~~(\$539,629).

[The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement.](#)

WASHINGTON

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 lieu of an impound of franchise fees, the Franchisor will not require or accept the payment of any initial franchise fees until the franchisee has \(a\) received all initial training that it is entitled to under the franchise agreement or offering circular, and \(b\) is open for business.](#)

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.

[The franchisee shall not indemnify the franchisor under Section 11 of the franchise agreement in connection with the franchisor's negligence, willful misconduct, strict liability, or fraud.](#)

[The limitations on damages in Section 19 of the Franchise Agreement do not apply in Washington. See RCW 19.100.190; RCW 19.100.220.](#)

[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.

EXHIBIT K

STATE EFFECTIVE DATES

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

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

State	Effective Date
California	November 30, 2023 Application Pending
Hawaii	September 26, 2023 Application Pending
Illinois	February 1, 2024 Application Pending
Indiana	September 26, 2023 April 25, 2024
Maryland	Application Pending
Michigan	May 15, 2023 2024
Minnesota	January 26, 2024 Application Pending
New York	December 5, 2023 Application Pending
North Dakota	Not Registered Application Pending
Rhode Island	May 7, 2024
South Dakota	Not Registered May 16, 2024
Virginia	November 27, 2023 May 16, 2024
Washington	Pending May 21, 2024
Wisconsin	September 26, 2023 April 25, 2024

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.